the taxpayer

Spring 2018

Gag Laws P24

Muzzling the watchdogs

Also in this Issue:

publications mail agreement 40063310

Taxpayer.com

From the President

Troy Lanigan
tlanigan@taxpayer.com

The future

Attached in the centrefold of this magazine is an important survey that I hope you will take a minute to fill out and send back to us.

This year marks the retirement of Dean Smith, who has put this publication together since 1991. I'll have more to say about Dean in the next issue. For now, it happens that Dean's retirement coincides with a new planning cycle for the CTF which has us contemplating changes — including the future of this magazine.

> "If we wish to grow in size and impact, we need to recognize and embrace the changes around us by retooling and redirecting resources in ways that equip and fulfil that objective."

As part of our new planning cycle, we recently conducted an online supporter survey; 3,400 of you took the time to respond and told us categorically that our top priority needed to be "greater visibility." From greater visibility follows growth and ultimately impact.

Of course, ***how*** we grow and ***how*** we impact change today is almost unrecognizable from how we did these things in 1991 when Dean Smith was waxing the backs of photos to stick onto a broadsheet.

There is not enough space here to outline the multiple responsibilities that continue to be added to our communications team. When I was a spokesman in the '90s, it was enough to write a report, fax out a news release and talk to the media. Today, if you're going to be relevant and present, you're expected to not only post on a variety of social media platforms but also in a variety of media including videos, memes, podcasts … the list continues to grow.

Moreover, to grow, engage and organize large numbers of people, a tremendous amount of new material must be distributed and supported by advertising, with available staff resources dedicated to the measurements and correspondence it all generates.

Among like-minded organizations in Canada, the CTF measures favourably in adopting new media and technologies. But when compared to folks organizing in support of big and intrusive government, I fear the freedom movement in Canada — including us — needs to improve. With urgency.

The Taxpayer magazine has been a great value-add for our donors — and in the days before the Internet our primary means of donor communication — but it is not and never has been our primary product. The CTF's product is taxpayer advocacy. And, if we wish to grow in size and impact, we need to recognize and embrace the changes around us by retooling and redirecting resources in ways that equip and fulfil that objective. We need to do this with enthusiasm and firm resolve because the position we are in three years from now depends on the decisions we make today.

What future donor communication will look like is the subject of the enclosed survey. <u>No decisions have been made</u>. At the end of the day, the organization exists because you voluntarily fund it. We are committed to putting more resources into growing the organization, but how we find those resources will be decided only after careful consultation with you. If you'd like to drop me a note to discuss any of this personally, I welcome hearing from you. My email is tlanigan@taxpayer.com. t

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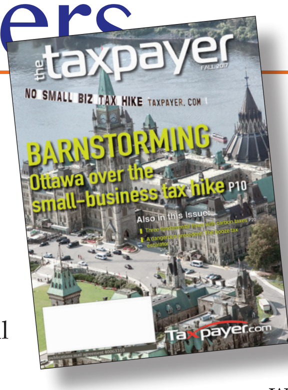
Letters



In the Fall 2017 issue of *The Taxpayer*, I feel offended by the article saying how much seniors are going to cost the government, whether provincial or federal. We seniors have paid taxes all our working lives. Now how about people who have not paid five cents in taxes? As a senior I have supported these people from birth until death.

Also, how about all the immigrants that are brought to Canada and covered for everything for at least two years?

Anne Ens
Codette, SK

Taxed too much

I have a commercial building which I purchased many years ago for my business. I sold the business but kept the building. I am taxed 44% on the revenue from that building. If I do not take some cash assets out of the return at least once a year, the income tax is higher. Of course, I have to pay income tax on that receivable.

I am not a "fat cat." How can the government justify taking so much tax?

Doreen Braverman
Vancouver

The voting system

The letter from Andy Thomsen (*The Taxpayer*, Fall 2017) concerning our current voting system picked at an old scab of mine. The time is overdue for a new and more representational voting system. Our current political system has had its day. It is no longer truly democratic. When a party has the overwhelming majority, the prime minister of the day is free to do whatever he wants.

A prime minister who heads a minority government must go along with the game of give and take if he wishes to remain in power. But, this is not what we have today. The recent budget contains no mention of when the country's books will be balanced. This is what occurs when a prime minister becomes a dictator.

Now he is desperate for money and has his finance minister, Bill Morneau, beating the bushes for anything and everything that he can place a tax on.

I think that when the chickens come home to roost, and the voters see the mess the prime minister has made of Canada's finances (closing in on a trillion-dollar national debt), the idea of a voting system that is more representational of the voter's choice will be more appealing.

Ernie Borneman
Chase, BC

Letters to the editor

Letters may be edited for length, content and clarity.
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Pipeline debacle

Prime Minister Justin Trudeau has promised Canada he will phase out Alberta's oil sands. He's made a good start by stopping oil tanker traffic on the West Coast and by not stopping tanker traffic on the East Coast. (Thereby eliminating a market for Alberta's oilsands production.)

In addition, the National Energy Board was instructed to count/calculate the upstream and downstream emissions for the proposed Energy East pipeline, even though exported oil carries those emissions to the country where the oil is consumed. Canadian oil consumed in Canada would create no more emissions in Canada than the present oil imported from foreign countries. Energy East was regulated to death. Now the new energy regulator will also slow down licensing with its environmentalist and populist attack on Alberta's oil and gas.

Trudeau and his father do not like Alberta and are not friends of the oil and gas industry. Phasing out oilsands will phase out Alberta's economy and will phase out jobs for students presently in school and millennials in general. On top of that, Trudeau's carbon tax has the potential to price Canadian products out of global markets and are a huge negative for Alberta's economy.

Alberta voters must consider phasing Alberta out of Canada. Voting for Trudeau is a vote for losing your job in Alberta.

Jack Ellefson
Calgary

I believe the CTF should do all it can to remind British Columbians that they are also (and above all) Canadians and benefit greatly from being a part of this country. By blocking the export of our oil resources in favour of the American oil industry, BC politicians are harming the well-being and future of Canada.

Canadians here and in other provinces have every right to take action to put an end to such anti-Canadian politics, which won't "save the planet" but just weaken our country.

And I hope the CTF reminds Canadians, especially here in BC, that the town of Lac Megantic in Quebec was blown up a few years ago by American oil from North Dakota being transported to the East Coast by train, which is scientifically proven to be far more dangerous than transporting oil by pipeline.

The media here in BC tend to play down or ignore such facts, as they ignore the record of recent American administrations — Obama, Trump etc. — in greatly expanding the US oil, natural gas and even coal industries while we continue to undermine Canada's industries and put

our prosperity and future as a country in jeopardy.

For any democracy to work intelligently in the best interests of its people requires popular media to be objective and thorough in their analyses of issues and choices that we face, and I don't see that as being the case here in BC. I hope the CTF stands up for all those who seek an objective and informed alternative to how most media here in BC currently exploit or ignore issues such as this one.

Richard Sharpe
Vancouver

Who benefits from a cashless society?

Employees of the Canada Revenue Agency and their union are probably the greatest winners. Many more employees will be required to monitor our transactions for evidence of tax evasion, to further investigate those suspected of evasion and then enforce action against those determined to be guilty of evasion.

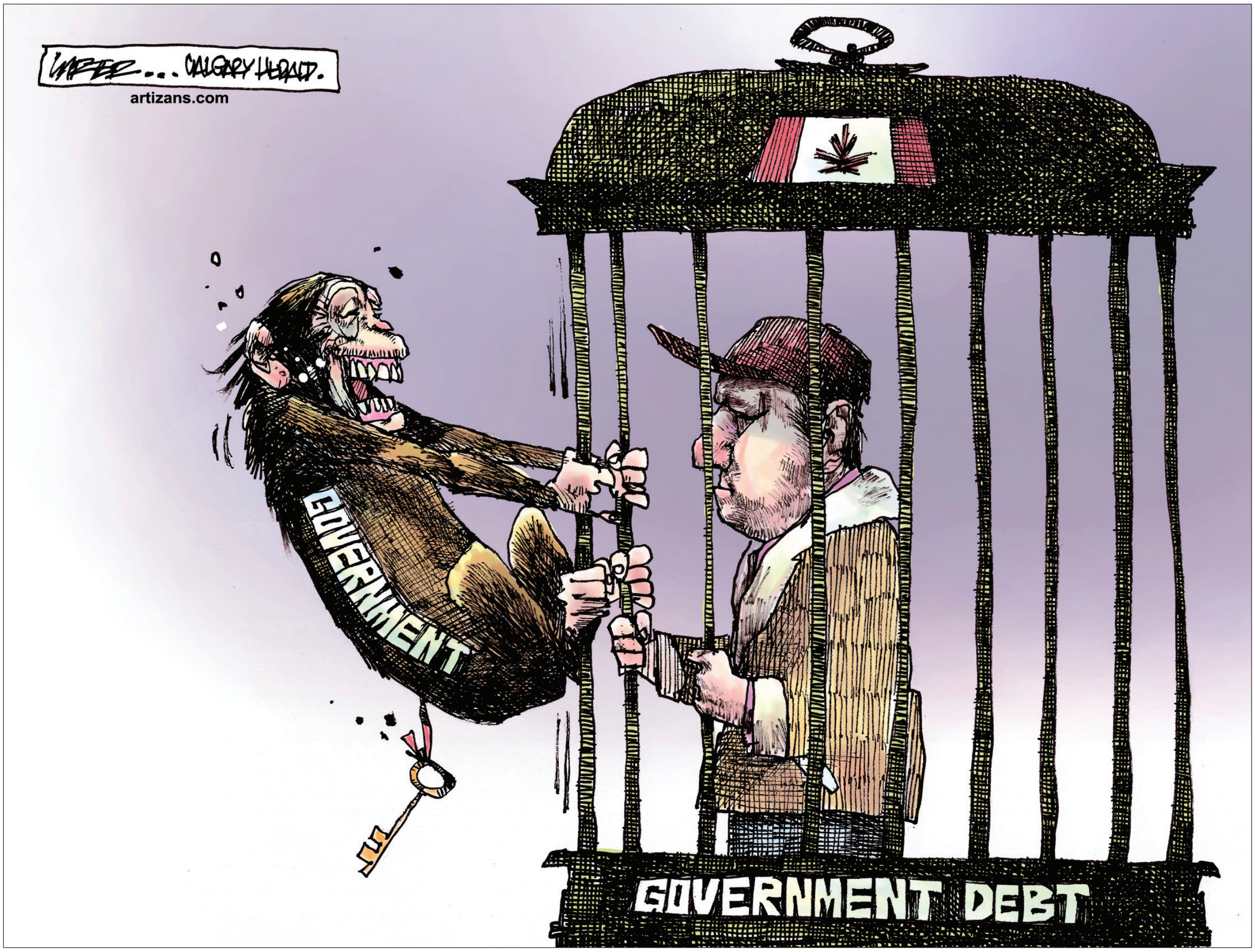
In fact, legal tax avoidance is also now being termed contrary to the best interests of the Canadian tax system. The government will possibly realize increased revenue, over and above collection costs, to spend on programs dedicated to buying the votes of special interest groups which are endlessly lined up at the public trough. The lawyers who both prosecute and defend the alleged tax evaders. And lastly, credit card companies, thanks to their high fees.

Who are the losers in a cashless society?

If the Internet is compromised or frozen, the economy will grind to a halt without cash to carry on transactions. Our standard of living will decline because much of our economy, much more than we realize, is cash-only at a reduced cost to the consumer: child care, cash tips, home improvement and services at reduced rates when paid for with cash. Those charitable organizations which collect cash will suffer. The buskers who entertain us during our shopping and ask us to drop a coin or bill into their guitar case. Seniors who aren't tech savvy. Farmers' markets, poppy sales, book, craft and garage sales, etc.

While this review is not exhaustive, it may be exhausting.

Vern Polotikis
Vernon, BC



Wastewatch

Compiled by
Dean Smith

Egyptian embassy embarrassment

An audit of Canada's Egyptian embassy in 2017 uncovered some disturbing revelations on how the embassy conducts its financial affairs.

One of the issues highlighted in the report was the discovery the embassy had spent $81,000 purchasing 20 high-end TVs. However, once purchased, they sat unused in a warehouse for months.

Other concerns included:

- 58% of the salary paid to six drivers employed by the embassy was made up of overtime. The embassy also paid the traffic violations for its drivers, which taxpayers are not responsible for;
- The embassy does not have to pay taxes on purchases in Egypt, however, because it never bothered to use this exemption properly, taxpayers are out $81,000;
- There were items found in storage that the embassy had no record of purchasing;
- Because the embassy rented parking spots for 24-hour periods, instead of 12 hours, it overpaid by $19,000 a year; and
- A freezer bought in 2015 was found in storage along with a freezer the embassy had purchased in 2014.

In addition, the embassy routinely used "preferred vendors" for work at the embassy and there was no committee to review contracts in excess of $10,000 as required. There were often discrepancies between the contract value and the amount paid.

The auditors also found money being stored insecurely in a filing cabinet to which staff had full access.

Source: *National Post*

Au revoir, et merci

Ian Potter, age 57, was until May 3 the vice-president of engineering for the National Research Council (NRC). Up to March of this year, NRC had spent $90,000 to train him to become bilingual. That was just the cost of the French lessons.

Potter was apparently spending seven hours a day learning French, including five hours of one-on-one training, while living at home in Alberta. Taxpayers were also dutifully paying his annual salary, between $168,500 and $202,300.

Potter was hired in 2011 for the VP position in NRC's Ottawa office. However, the position is officially designated bilingual, meaning the person hired had to be fluent in both official languages.

But Potter wasn't bilingual, so NRC approved a six-month training program starting in January 2017 that cost $48,700. Evidently, he's a slow learner, so NRC had been approving extensions since then. Meanwhile, the NRC still needed a VP, so hired a bilingual person to temporarily fill the position.

Shortly after the *Ottawa Citizen* broke this story, Potter abruptly resigned, sending a mass farewell letter to his colleagues … entirely in English.

Source: *Ottawa Citizen*

Sure pays to be a councillor

A review of salaries paid to councillors in suburban Toronto uncovered salaries ranging from $20,000 a year to more than $200,000.

With a population of 92,000, Pickering councillors were among the highest-paid, earning upwards of $144,000 after factoring in their base pay, pension, benefits, per-diems for sitting on boards and committees and other duties associated with regional government.

Some Pickering councillors are still working at the jobs they were doing before they were elected, suggesting $144K is exceptional pay for what appears to be part-time work.

It also means their income is higher than that of Toronto city councillors, who are paid $112,000 annually to run a city of 2.7 million.

Meanwhile, councillors in municipalities of similar size to Pickering earned much less, with those in Clarington earning about $92,000 and those in Milton maxing out at $98,000.

The biggest winners of the salary lottery were in Mississauga. With a population of 781,000, it is less than a third the size of Toronto, yet Mississauga politicians pay themselves upwards of $204,000 a year. This includes an $86,900 base salary, a $21,000 benefit package and $17,500 in car allowance. They are also paid $65,000 to sit on Peel Regional Coun-

Proud owners of a cake recipe made from beer?

cil; if they sit on boards or committees, they earn thousands more.

Mississauga councillors were paid more than the mayor of Toronto, who last year earned $192,500.

The lowest paid councillors were those serving the Township of Brock, who earned between $20,000 and $27,000.

Source: *CBC*

How do you 'like' this?

According to a document released in the House of Commons, during a two-week period in October and November 2017, Natural Resources Canada (NRC) paid $5,000 to get 3,611 people to "like" two versions of the same Facebook page, one in English and one in French.

The page discussed the federal government's Energy Star Canada certification program that encourages people to have more energy-efficient homes and businesses.

NRC spent $3,500 to receive an additional 2,668 "likes" on its English page and $1,500 for 943 "likes" for its French version.

Source: *iPolitics*

$73,000 to find … a Liberal

Last year, the Trudeau government spent $1.1 million on headhunters to find executives to fill senior government positions. One of the most expensive executive searches involved filling positions at Invest Canada, Ottawa's newly created foreign-investment promotion agency, which cost taxpayers $158,200.

The biggest cost involved finding the person with the best credentials to fill the agency's CEO position. Taxpayers coughed up $73,450 to have Boyden Executive Search scour Canada and beyond for the most qualified person.

The winner was none other than Ian McKay, the former national director of the Liberal Party of Canada. Aside from wasting money on what most say is just another patronage appointment, many are questioning the existence of Invest Canada, while other departments are doing much the same work and federal policies are driving businesses out of Canada.

Source: *Hill Times*

Oh, what a mystery

Natural Resources Canada (NRC) recently announced it will be spending $280,000 to find out why the Canadian oil industry is not competitive with US producers. NRC also wants to find out what is causing oil companies to pack their bags and move their oil rigs to the US.

In its announcement, the department noted that between 2014 and 2016, investment in Canada's oil industry dropped by 50%, not only impacting jobs but tax revenues as well.

Of course, you don't have to spend over a quarter-million dollars to find out the answer to that question, because most of the problem is caused by government.

With British Columbia blocking pipeline development, Canadian producers are unable to access international markets and are forced to sell their oil to the US below market value. Add to this mix abusive environmental regulations, higher taxes and the looming threat of a carbon tax, it is easy to see why oil businesses are bailing out of Canada.

Source: *Global News*

Free parking

With last year being Canada's 150th birthday celebration, Parks Canada offered free admission to all our national parks.

Parks Canada then spent $150,821 to find out whether people enjoyed their free visit.

The agency contracted Ekos Research Associates to conduct a telephone survey of 3,090 people who visited the parks last year and discovered that 94% liked their

Millions in subsidies for water condos?

Smith Falls lock Credit: Michel Rathwell/Flickr/Creative Commons

free visit with 71% giving it a five-star rating.

Source: *iPoltics*

Beam me up, Scotty

Located southeast of Calgary, Vulcan, AB, has a population of 2,000. Since Star Trek's Spock was from the planet Vulcan, the town has played up the theme by building its tourist office in the shape of a spaceship, complete with a replica of the Starship Enterprise displayed on a pedestal outside the building.

Recently the town council voted to spend $4,340 to replace the councillors' Star Trek jackets, some of which were 17 years old.

The mayor and six councillors often wear these jackets at official events, including municipal conventions.

Source: *Calgary Herald*

Wasn't that a party

When Prime Minister Trudeau appointed Julie Payette as Canada's next Governor General, she was so excited that she held a bash on Oct. 2, 2017, to celebrate her swearing-in.

According to an access to information request, Payette spent $650,000 on the party, triple the $211,00 spent at the swearing-in ceremony for Canada's previous governor general, David Johnston.

The costs of Payette's party included:

- $3,000 for flowers;
- $112,530 for entertainment;
- $28,625 so Payette and friends could visit the Queen in England;
- $10,000 for CBC to broadcast the event; and
- $168,000 on the reception and banquet.

Ironically, Payette used the occasion to call for an end to world poverty.

Source: *Blacklock's Reporter*

Funding an anti-oil study

Critics are outraged that the federal government is subsidizing an anti-oil activist.

The Social Sciences and Humanities Research Council provided $2.5 million over six years so University of Victoria professor and activist William Carrol can map "the power of the carbon-extractive corporate resource sector."

In addition to the $2.5 million that the government is giving him, the University of Victoria will kick in another $730,000.

The oil industry is already reeling from Ottawa's decision to stop BC's Northern Gateway pipeline and the Petronas LNG project and the death of the Energy East pipeline.

Source: *Toronto Sun*

A Royal pain in the Mint

Let's get the bad news over with. Earlier this year, the Royal Canadian Mint, which is responsible for printing Canada's money, called in police to investigate the theft of two one-kilogram gold blanks worth an estimated $110,000.

The police were called in after an internal audit revealed missing gold that resulted in the firing of one employee.

So, what's the good news?

This is a huge improvement over the last theft, when the mint had no idea someone was stealing its gold. It only found out after a bank teller became suspicious when she saw a mint employee depositing cheques into his account from a gold dealer in the mall. It turned out the man was stealing gold by smuggling it out in his rectum.

Source: *Ottawa Citizen*

Why does a Mississauga city councillor earn more than the Mayor of Toronto?

The million-dollar missing questionnaire

In 2016, the Department of Canadian Heritage gave Vox Pop Labs Inc. $576,000 to compile a one-million-person questionnaire in the runup to Canada's 150th birthday last year. The project received another $250,000 in funding from the CBC

Called Project Tessera, it was supposed to serve as a data legacy to Canadians for generations.

However, Vox Pop missed its launch date of May 1, 2017, stating it had run out of money. So Canadian Heritage fast-tracked

another $228,782 in emergency funding for the project.

With Vox Pop receiving over $1 million in funding, questions are now being raised as Project Tessera has missed three additional launch deadlines.

Source: *Blacklock's Reporter*

A song and a recipe

A review of money spent on observing the 375th anniversary of Montreal found some very questionable purchases by then-mayor and former Liberal cabinet minister Denis Coderre.

Coderre threw a private party for 700 guests on May 17, 2017, that cost Montreal taxpayers $266,000.

Coderre spent $4,000 on the dessert alone, which included purchasing the "reproduction and publication rights" for the dessert. This means the city owns the exclusive rights to a recipe for a molasses crunch cake soaked in honey and beer.

The former mayor also spent $10,048 to have performing artist Gregory Charles sing for the crowd. The partygoers received a code to download Charles's latest hit, *Le Blues de Montreal*. Some have wryly noted that the taxpayers of Montreal, who actually paid for permission to download the song, could not access it.

Other costs associated with mayor's birthday bash included:

- $14,200 for 744 bottles of wine;
- $2,627 to rent 300 cups and saucers, 400 beer glasses, 300 champagne flutes, 300 coffee cups, 500 water glasses, 10 coffee spouts and 1,000 wine glasses;
- $3,757 for security;
- $22,995 to plan and design the event;
- $775 for three rolls of red carpet; and
- $59,279 for appetizers and catering.

Source: *Journal de Montreal*

Floating on public dollars

Described as "condos on the water," they don't come cheap … and taxpayers are forking over millions of dollars in subsidies.

Smiths Falls, ON, recently enticed a United Kingdom yacht company, Le Boat, to set up charters on the Rideau Canal. Le Boat, which provides a similar service on European canals, will be renting out boats at a price of $1,398 for a four-day trip or $13,078 for a 10-day cruise.

So far, the Ontario government has provided $2 million to help ship 16 boats from England. Some of the money was also used to reinforce the hulls of the boats because of the Rideau Canal's rocky bottom.

The federal government kicked in $3.6 million for work on the canal. The money was used to repair a lock and provide new hydraulic gates and as well for renovations at a federal heritage building that will be the head office for Le Boat.

Smiths Falls also contributed $335,741 to renovate several docks. This included adding power and additional lighting.

With more $5 million in subsidies from three levels of government, how many people will Le Boat be hiring? It plans to hire seven fulltime employees and seven casuals.

Source: *CBC*

'Going green' turns red into white

Last year, the city of Winnipeg decided it was going to "go green" and use LED lights in its traffic signals.

However, because LED lights produce less heat, the signals were becoming covered with snow that would have been melted away by the old lights. As a result, every time Winnipeg was hit with snowstorms, city crews were having to not only clear the streets but also clear snow from the traffic signals.

Last year, Windsor made a similar change and the snow coverage was blamed for a serious traffic accident when a bus ran a red light, broadsiding a car going through the intersection. The bus driver said he did not see the light turn red because it was covered in snow.

Source: *CBC*

Why all the TV sets in Egypt?

CTF supporter survey results

by Scott Hennig
VP Communications

When we conducted our last supporter survey, a common request was that we publish the survey results. Throughout the year, CTF directors use the survey results to give weight to recommendations made to governments. As such, we often save the results so that they can be delivered individually for maximum impact. However, you asked, and we heard you.

Below you will find some of the results from the last survey. More than 6,400 CTF supporters took the time to fill out the survey. We'd like to thank those who responded for helping direct our efforts. (Note: some percentages may not total due to rounding.)

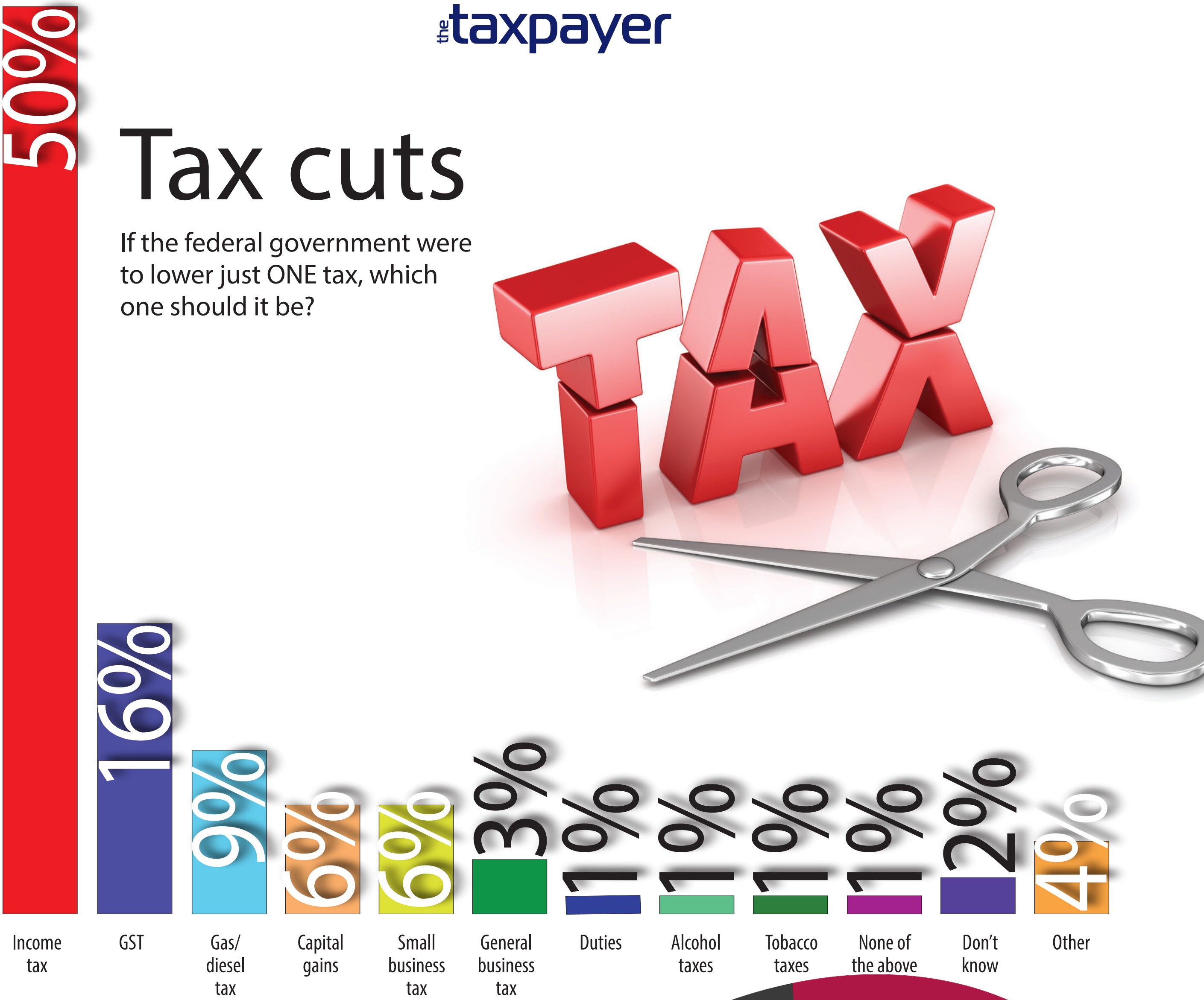
Top 15 national priorities for CTF supporters

We presented a number of issues that the CTF is working on, or contemplating working on, and asked supporters whether they were a high priority, somewhat high priority, neutral, somewhat low or low priority. Using a point system, we've been able to determine the top 15 priorities.

1. No pensions for politicians who steal: bring back Bill C-518 and make it a government bill.
2. Oppose deficit budgets and increased debt.
3. Conduct a core review of government spending, with a goal of reducing overall spending.
4. End tax-on-tax: ban the practice of charging GST/HST after other taxes have been applied to products.
5. Oppose any attempt to repeal or weaken the *First Nations Financial Transparency Act* that discloses the salaries of reserve politicians.
6. Repeal the federal requirement that provinces implement a carbon tax/cap-and-trade tax.
7. Crack down on offshore tax avoidance/evasion.
8. Put all MP and senator expenses online with scanned receipts.
9. Reduce gas/diesel taxes and dedicate them to roads and highway infrastructure.
10. Stop corporate welfare.
11. Pass a "Truth in Budgeting" law that would require all legislation be costed by the Parliamentary Budget Office.
12. Improve and expand the *Access to Information Act*.
13. Restore Tax Free Savings Account annual contribution limit to $10,000.
14. Repeal the automatic tax escalator on beer, wine and spirits.
15. Government employee pension reform: switch all employees to defined-contribution (RRSP-style) plans.

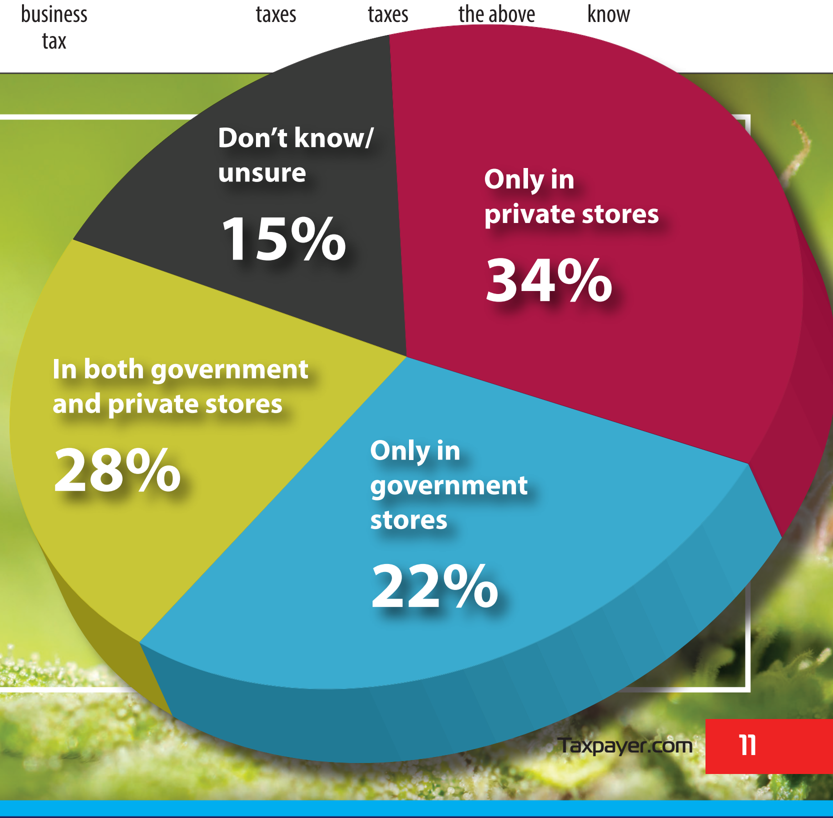
Tax cuts

If the federal government were to lower just ONE tax, which one should it be?



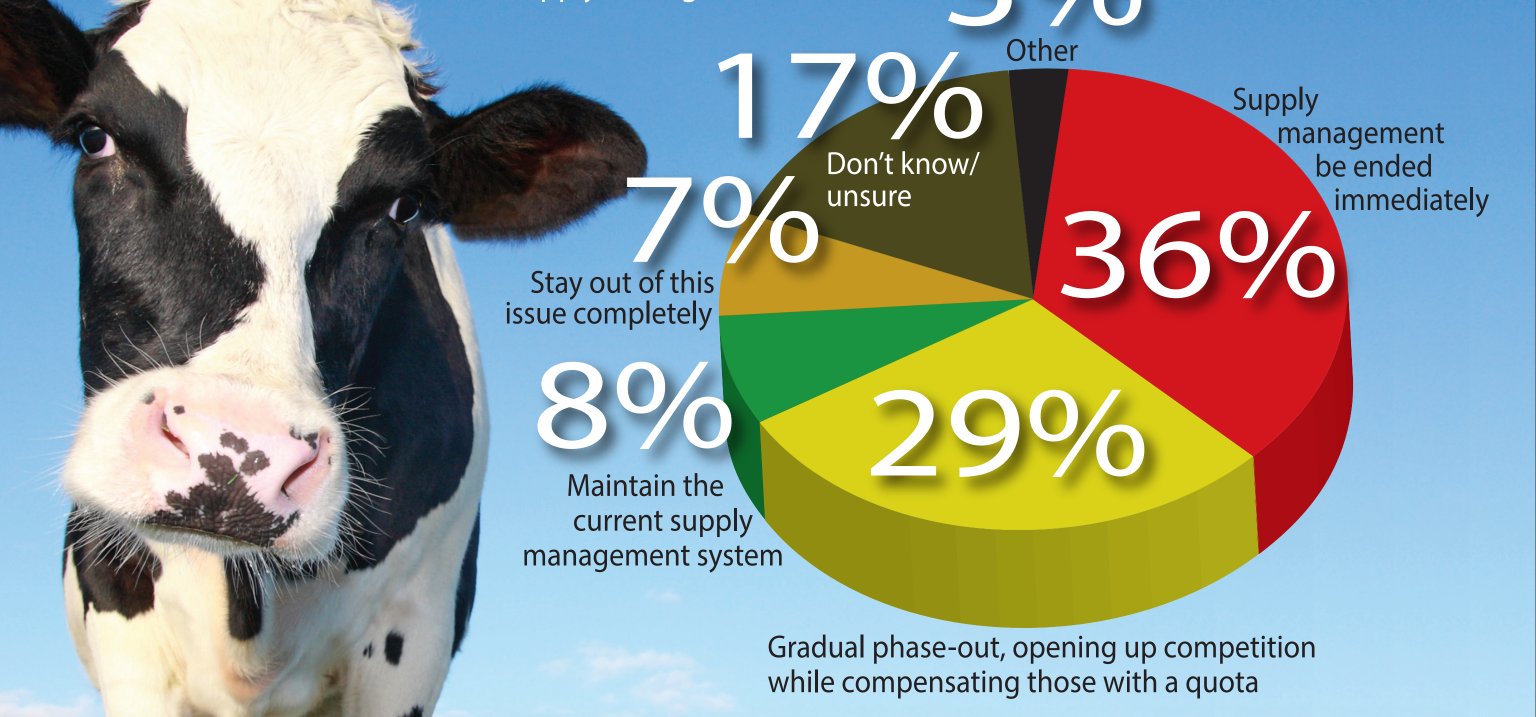
Cannabis sales

Some provinces are letting the private sector take the lead on the sales of recreational marijuana, other provinces are letting the government take the lead. How do you feel it should be sold?



Supply management

Canada has several industries (such as dairy, poultry and eggs) which operate under a quota system known as "supply management." Supporters of supply management argue it creates stability, protects Canadian jobs and ensures a local supply of these foods. Opponents argue that it artificially raises prices for consumers and hurts our ability to sign international trade agreements. What position should the CTF take on supply management?

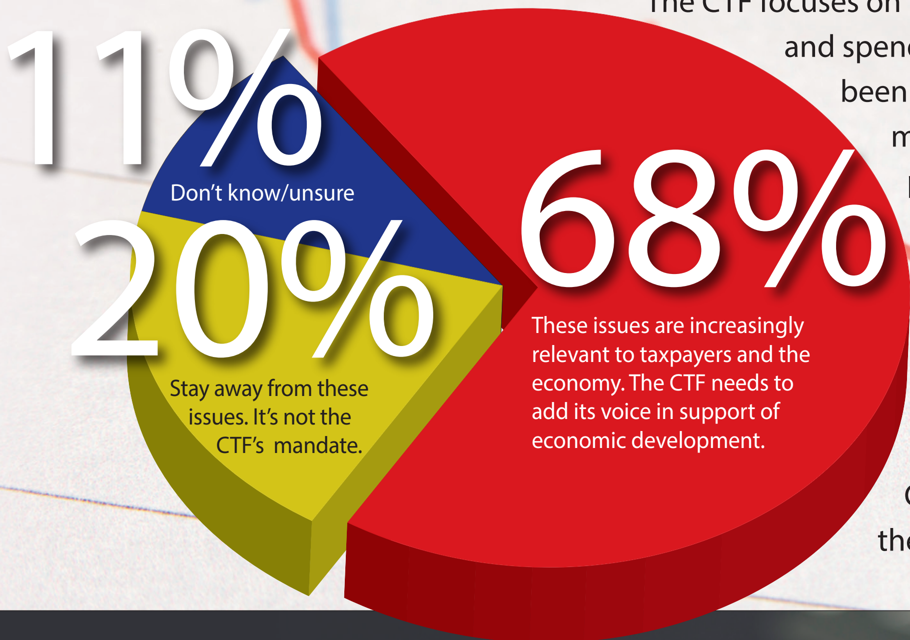


NAFTA

Canada, the USA and Mexico are currently re-negotiating the *North American Free Trade Act* (NAFTA). Which option most accurately reflects your views of NAFTA?

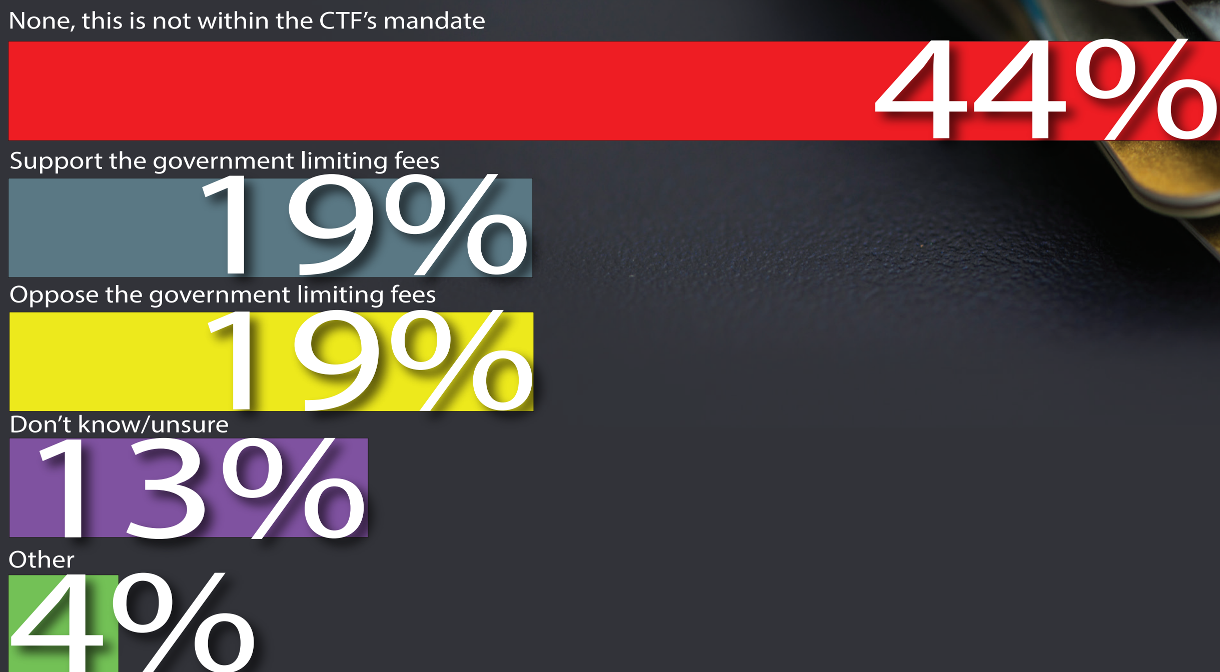
Economic development

The CTF focuses on issues of government taxes and spending. However, there has been an explosion in opposition to major economic development projects – especially in the resource and energy sectors. Rejecting projects like the Kinder Morgan Pipeline has an impact on economic growth and government revenue generation. What should the CTF's position be on projects like these?



Credit card fees

Many Canadians collect credit card points. To pay for these rewards, credit card companies charge retailers a fee for each transaction. Some retailers say this is too high and that the government should limit fees, while credit card companies say that if the government imposes limits, they will have to cut back on the rewards. What position should the CTF take on this issue?



HIGH SP

Lessons from California

By Robert Lyman

Over the past decade, several studies have been conducted by promoters of high-speed rail (HSR) projects across Canada. Much of the attention has focused on the 1,100-km Quebec City-Windsor corridor.

Noting the scarcity of passenger rail links in Western Canada, the Alberta government has funded studies of the financial viability of a 300-km HSR line between Edmonton and Calgary.

Cascadia, an advocacy group, promotes an HSR line between Vancouver, Seattle and Portland. Recently, the state of Washington committed $1.2 million to conduct a business case analysis of this idea.

A variety of proposals have been made to connect Montreal by HSR to other cities in the northeastern United States, including New York.

In its 2018 budget, the Liberal government of Ontario announced that it would spend $15 million studying the initial phase of building an HSR line from Toronto to London as part of a line that eventually will extend to Windsor. Ontario proposes an electrified HSR system operating on a combination of mixed conventional and dedicated new railway lines.

According to the province's analysis, the trains would be capable of achieving a top speed of 250 km per hour. The base direct costs of this option are estimated to be about $7.5 billion and the "base uplifted capital costs" for the full Toronto-Windsor corridor to be $21 billion. There will follow a lengthy period of planning, design, environmental assessment and construction before operation may begin.

The various Canadian HSR proposals are just at the beginning of a process similar to that which has played out in California over the last decade. In 2008, California voters approved Proposition 1A to build approximately 800 miles of an HSR system that would have connected most of the cities in the state. Since that time, the California project has experienced a series of problems.

> "The majority of HSR lines require large taxpayer subsidies during both the construction and operating phases."

Costs – The estimated capital costs of the California HSR system have mounted steadily over time, even as the proposed length of the system has declined. In 2008, the HSR was sold to voters as costing about $42 billion, of which a sizable share was to come from a bond issuance and federal and state contributions. The current business plan for the project, updated in March 2018, now projects the likely costs to be $77 billion, but warns that the bill could rise to $98 billion.

Project funding – In 2008, California voters approved almost $10 billion in project funding and afterwards the US federal government committed an additional $3.3 billion. For the balance of its needs, the state is relying on funds from the Carbon Cap and Trade system, even though the portion of cap and trade revenues that may be allocated to HSR is capped at 25%. Cap and trade revenues vary with market conditions, leaving the availability of sufficient funds to complete the project in doubt. Propo-

sition 1A included a provision that there could be no operating subsidies, so the prospect of private-sector funding is virtually nil.

Implausible ridership projections – The HSR business plan continues to use high ridership projections based on assumptions that the travel time from San Francisco to Los Angeles would be less than two hours and forty minutes and that the trains could operate at speeds of over 200 miles per hour. Such speeds are unattainable on a blended system of tracks; indeed, the present peak speed of the fastest trains in the world (France) is 199 mph. The US Transportation Research Board uses 60 to 100 mph as standard in urban areas. Travel time on a blended system would be longer, perhaps by up to two hours, and this, combined with high fares, would reduce ridership.

Legal difficulties – Governments that implement all-encompassing environmental assessment processes often fail to anticipate the effects of local environmental opposition to public infrastructure projects. Six lawsuits have already been filed relating to the Central Valley portion of the California route and more are expected as plans for routing of the project through the southern portion of the state are announced.

> "From a financial standpoint, only two HSR lines in the world are profitable – Paris-Lyon in France and Tokyo-Osaka in Japan."

Exaggerated claims of environmental benefits – As in Canada, the California advocates of HSR claimed that the system would significantly reduce greenhouse gas (GHG) emissions, and thus that it would be a good use of cap and trade revenues. Research at the University of California, Berkeley, however, concluded that it would take 71 years for high-speed rail to save enough GHG emissions just to negate the emissions from construction.

Advocates of HSR will point to successful examples of such systems in Japan and Europe. Yet the US and Canada differ from Japan and Europe in travel patterns, population density, spatial structure, car ownership and other factors. From a financial standpoint, only two HSR lines in the world are profitable – Paris-Lyon in France and Tokyo-Osaka in Japan.

The majority of HSR lines require large taxpayer subsidies during both the construction and operating phases. To make matters worse, the popularity of rail travel appears to be declining throughout the world. In most countries, high-speed and conventional rail service represent less than 10% of all passenger-miles travelled on land. This is a decrease of almost 10% over the last 10 years.

In California, proponents offered the voters the image of HSR as a high-technology, "green" way to reduce travel times and increase economic development. They failed to adequately judge the costs, risks and affordability of the system.

In Canada, there are undoubtedly ways in which passenger rail service can be improved to better serve travellers and expand both the capacity and flexibility of the intercity transportation system. In exploring ways to achieve that, let us try to heed the lessons of the California experience. t

Robert Lyman is an Ottawa-based consultant who writes often on climate change policy. After serving for 10 years in the Canadian foreign service, he spent more than 20 years as an economist and policy advisor on energy, environment and transportation issues in the Canadian government.

Federal budget: a little good news, a lot of bad

by Aaron Wudrick
Federal Director

Federal Finance Minister Bill Morneau delivered his third budget Feb. 27, and it is a depressing read for any Canadian concerned about balanced budgets and the national debt.

First, a bit of good news: spending is mostly kept under control. In fact, total program spending for the current fiscal year is actually 0.5% lower than originally planned, while increases over the next two years are limited to about 3% annually.

There are also a few other bright spots, including the government's commitment to expanding international trade, more funding for the auditor general and the information commissioner to help hold politicians accountable and stronger measures to crack down on tax evasion.

The rest of the budget document, unfortunately, is pretty bleak.

Even with spending increases throttled back, the government is still stuck in a sizable hole because of big leaps in spending from previous years. The 2015 Liberal election platform promised three "modest" deficits that would have added a total of $25 billion in debt before returning to balance in 2019. Instead, they're currently on track to add at least $110 billion in new debt by 2022 — more than quadrupling their platform promise — with no balance in sight.

The cost of paying interest on that debt is rising: this year alone it will be $26 billion; by 2022, it's projected to be $33 billion. To put that into perspective, consider that the federal government's single biggest program expense, National Defence, clocks in at $25 billion: Canadian taxpayers are already spending more just paying the interest on the government's credit card than we are on our military. Rising interest rates are only going to make that worse.

"The cost of paying interest on that debt is rising: this year alone it will be $26 billion; by 2022, it's projected to be $33 billion."

After months of negative press (including an aggressive push by a coalition of groups including the CTF), the government further retreated from its ill-advised small-business tax changes, abandoning its proposed hard limit of $50,000 on annual passive investment income in favour of a gradual phaseout of the deduction limit for annual passive investment income between $50,000 and $150,000. This is a big improvement over the government's original proposals, but together with the new income-sprinkling rules, will still end up squeezing small businesses for more than $1 billion per year by 2020.

The government is also doubling

down on its failed strategy of boosting "innovation" through corporate welfare subsidies and regional development. It's merging and rebranding a number of slush funds, in most cases with even more money, including a new pot of $50 million over five years to support failing newspapers.

There's more money for indigenous Canadians, but no mention at all of enforcing transparency laws such as the *First Nations Financial Transparency Act* so that band members can actually know how their politicians are spending the money.

Perhaps the most glaring omission was the lack of any response to the major tax cuts announced in the United States, which have all but wiped out Canada's longstanding business tax rate advantage. Together with higher costs due to carbon taxes and an unpredictable and excessive regulatory process for such projects as oil pipelines, these lower US tax rates will almost certainly hurt the Canadian economy by reducing our ability to attract and retain jobs and investment.

While the Liberals' decision to not make things much worse this year may count as the smallest of victories for taxpayers, it may also be short-lived. Next year's will be a pre-election budget as they prepare to face the polls in October 2019. It is no secret that governments seeking re-election usually spend more as they try to seduce voters heading to the ballot box.

2018 budget: What's in a word?

The words that governments use in budgets can reveal much about their priorities. Let's take a look at some of the key words in the Trudeau government's 2018 budget to see how often (or how rarely) certain words appear.

"deficit" – 12 times / "debt" – 126 times

Unsurprisingly, the government does not want to seem to draw attention to deficits, since they are much larger and projected to last much longer than originally promised. Debt has many more mentions due to a section on the debt management strategy, which as it turns out is not much of a strategy: there's no plan to pay down debt any time soon. Rather, the strategy appears to be "hope the economy grows faster than the debt."

"subsidy" – 1 time / "invest" – 489 times

Like many governments, they prefer to describe virtually any and all spending as an "investment" in order to make it sound more appealing, in spite of the fact that in most cases, a more accurate term would be "subsidy."

"competitive" – 20 times

There is strikingly little attention paid in the budget to the competitive challenges caused by US tax cuts, a problem which could also be compounded by uncertainty around NAFTA negotiations.

"environment" – 80 times

This government loves to present itself as "green" and its emphasis reflects this ("carbon" also appears 33 times while "pipeline" appears just 13 times).

"equality" – 154 times / "gender" – 359 times

Unusually for a budget, which is normally focused on fiscal issues and dollar figures, dozens of pages in the 2018 budget covered what the government describes as "gender-based analysis plus" or GBA+, which aims to consider the impact of any budget measure on gender equality. t

2018 Teddy Awards

by Aaron Wudrick
Federal Director

The Canadian Taxpayers Federation hosted the 20th annual Teddy Waste Awards Feb. 22 on Parliament Hill in Ottawa.

The Teddys are golden pig statuettes awarded annually by the CTF to the worst waste offenders in government. They're named for a former federal bureaucrat named Ted Weatherill, who was fired in 1999 for expensing more than $150,000 in dubious claims.

Narrowing down the list each year can be a challenge, but governments (unfortunately) seem remarkably creative when it comes to wasting taxpayers' money. This year we narrowed the field down to 16 finalists in four categories.

Municipal Teddy

WINNER: City of Montreal

Nominated for: Formula E(gregious Waste Of Taxpayers' Money)

Cost: $34 million

The city of Montreal spent tens of millions trying to attract the Formula-E, F1's electric-powered cousin. Despite already having a world-class racetrack, the city created a downtown circuit and bought new safety fences and equipment. Organizers even paid for road repairs, in spite of the fact no other host city had spent a cent to host the event. The 2017 event was a flop, selling only 25,000 out of 45,000 tickets and featuring mostly empty bleachers.

In December 2017, new Montreal Mayor Valerie Plante cancelled the 2018 race mere weeks after being elected, suggesting that $7.5 million worth of concrete barriers which had been purchased for the now-cancelled event could be used as temporary dikes during future seasonal flooding.

> "The 2017 event was a flop, selling only 25,000 out of 45,000 tickets and featuring mostly empty bleachers."

NOMINEE: United Firefighters of Winnipeg

Nominated for: Most Outrageous Taxpayer-Funded Union President

Cost: At least $1.4 million

For several decades, Winnipeg taxpayers were paying the full salary of the Winnipeg firefighters' union president even though he was on leave from firefighting duties. In 2014, under a new collective agreement, that figure dropped to 40% of the UFFW president's salary, or about $70,000 annually. No other unions representing city employees receive a taxpayer subsidy for the salary of their president.

Mayor Brian Bowman says the city wants the taxpayer subsidy to be revisited as part of the next round of collective bargaining, expected in 2020.

Current UFFW President Alex Forrest has taken at least 60 out-of-town trips for various union and firefighter-related events over the last three and a half years, none of which has involved

fighting fires.

NOMINEE: Toronto Transit Commission

Nominated for: Risky Digital Art

Cost: $1.9 million

The Toronto Transit Commission (TTC) in 2009 commissioned public art for six new subway stations being built on the Yonge-University line. The art, titled LightSpell, would allow TTC customers to type messages up to eight characters in length, which would then be displayed in lighting throughout the station.

But when the new stations opened in December 2017, LightSpell remained offline, as the TTC was concerned about "hate speech and the potential for the installation to be misused by some." Proposed remedies have included a potential "whitelist" of acceptable terms, or a filter to block out certain terms — although the latter could backfire if it was interpreted by customers as a challenge to find ways around the filter.

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Où vont vos impôts ?

La FE gagnante d'un prix de gaspillage

La course d'autos électriques a coûté des dizaines de millions $, mais n'a vendu que 15 000 billets

OTTAWA | La controversée course de la Formule E de Montréal a reçu un premier prix hier, mais c'est loin d'être un honneur. Pour sa subvention de 34 M$ à l'événement qui a peu attiré les foules, la Ville a reçu le prix peu désirable du « Teddy » municipal. Ce trophée en forme de cochon est décerné aux plus importants gaspilleurs de fonds publics par la Fédération canadienne des contribuables (FCC) depuis 20 ans. Au total, l'organisme, qui se veut un chien de garde des contribuables, a remis quatre prix aux « gagnants » dans les catégories fédéral, provincial, municipal et un prix Reconnaissance. *Le Journal* vous présente les lauréats et quelques-uns des finalistes dans chaque catégorie. CHRISTOPHER NARDI Bureau parlementaire

CATÉGORIE FÉDÉRAL

GAGNANT

La patinoire à 8,1 M$ de Patrimoine Canada

La patinoire installée pendant quelques mois devant le parlement cet hiver au coût de 8,1 M$ s'est mérité les moqueries de la FCC. Pour ajouter l'insulte à l'injure, le directeur Aaron Wudrick s'est moqué des règlements « insensés » que le gouvernement avait tenté d'imposer, comme une interdiction de prendre des selfies.

« Ils ont placé cette patinoire à quelques centaines de mètres du Canal Rideau, la patinoire extérieure la plus connue du pays », a lancé le directeur de la FCC, Aaron Wudrick.

FINALISTE

Le système de paie Phénix de Services publics et Approvisionnement Canada

Pour une deuxième année de suite, le système de paie raté du gouvernement fédéral était en nomination pour un Teddy fédéral. Depuis le lancement du système Phénix en 2016, un fonctionnaire sur deux a eu des problèmes de paie et la situation ne cesse d'empirer. À date, le système a coûté près de 1 G$ à Ottawa.

CATÉGORIE PROVINCIAL

GAGNANT

Le plan Fair Hydro de l'Ontario

L'an dernier, la première ministre de l'Ontario a proposé un plan qui devait réduire le coût de la facture électrique des Ontariens. Or, de nombreux rapports ont par la suite révélé que le gouvernement comptait emprunter de l'argent pour geler les tarifs jusqu'en 2021, après quoi ils augmenteraient de 6,8 % par année. Le vérificateur général a conclu que le plan coûterait finalement 39 G$ supplémentaires aux Ontariens.

PRIX RECONNAISSANCE

GAGNANT

Le programme d'art public de Calgary

Depuis 2004, la Ville de Calgary doit investir jusqu'à 1 % du prix d'un projet municipal en art public. Or, cela a mené à toutes sortes de créations bizarres, telle une sphère en métal à 221 000 $ située dans la cour clôturée du centre de réparation et d'entretien des pompiers, ou un anneau géant bleu à 470 000 $, que même le maire avait déclaré trouver « hideux ».

CATÉGORIE MUNICIPAL

GAGNANT

« La Formule E(xtrêmement coûteuse) » de Montréal

La Ville de Montréal s'est démarquée dans l'organisation de cet événement en étant la première ville dans l'histoire du circuit à l'avoir commandité à la hauteur de 14 M$. Or, le projet phare de l'ex-maire Denis Coderre a été un fiasco financier, alors que seulement 15 000 des 45 000 billets ont été payés, tandis que le reste a été distribué gratuitement. Au total, la FCC calcule que l'événement a coûté 34 M$ aux contribuables montréalais avant que la mairesse Valérie Plante y mette fin.

FINALISTES

La gestion de la circulation « la plus coûteuse » de Montréal

La Ville de Montréal a aussi été sélectionnée pour le fait qu'elle se servait jusqu'à récemment de policiers payés en temps supplémentaire pour faire la gestion de la circulation près des chantiers. « Dans la majorité des grandes villes, ce sont des civils qui s'en occupent pour 26 $ de l'heure. À Montréal, certains policiers recevaient 125 $ de l'heure », s'est étonné Aaron Wudrick.

Un escalier de 10 000 $ à Toronto

La Ville de Toronto s'est attiré les foudres de ses citoyens lorsqu'elle a annoncé qu'il en coûterait jusqu'à 150 000 $ pour installer un petit escalier dans une pente abrupte d'un parc. Scandalisé, un citoyen a embauché un itinérant pour construire un escalier pour 550 $. Au final, la Ville a tout démonté et reconstruit en béton pour 10 000 $.

Le directeur de la Fédération canadienne des contribuables (centre), Aaron Wudrick, était flanqué de la mascotte Porky the Waste Hater et d'une assistante lors du gala annuel au parlement des prix Teddy, remis aux « surdoués du gaspillage ». PHOTO CHRISTOPHER NARDI

NOMINEE: City of Montreal

Nominated for: Most Expensive Traffic Control

Cost: $15 million in 18 months

The city of Montreal spent millions on overtime pay for police officers to direct traffic at city construction sites at rates of up to $125 per hour. This was in spite of the police force previously complaining about having too few resources. Some cities, such as Vancouver, have switched similar duties over to civilians who are paid between $22 and $26 per hour.

In August 2017, the city entered into a new collective agreement that would see 75% of traffic control duties entrusted to much lower-paid cadets, helping to reduce costs for taxpayers.

NOMINEE: City of Toronto

Nominated for: Stairway to Bureaucracy

Cost: $10,000 (thankfully, not $150,000)

Local resident Adi Astl asked city officials about the cost of getting stairs installed on a steep slope in Tom Riley Park in Etobicoke where several of his neighbours had fallen and injured themselves. They told him that it would cost between $65,000 and $150,000 to put in stairs. Rather than wait for the city to spend such a huge sum, in July 2017 Astl took matters into his own hands and hired a homeless man to help him build a set of wooden stairs. They completed the work in eight hours, at a total cost of just $550 (later reimbursed through donations collected by a radio station).

Once word of the "vigilante stairs" got out, the city demolished them, arguing that they were unsafe. However, Toronto Mayor John Tory thanked Astl for taking a stand on the issue and called the city's original cost estimates "absolutely ridiculous."

Within a week, a new set of concrete stairs was put in place by the city, with officials pegging the cost of the new stairs at $10,000.

Provincial Teddy

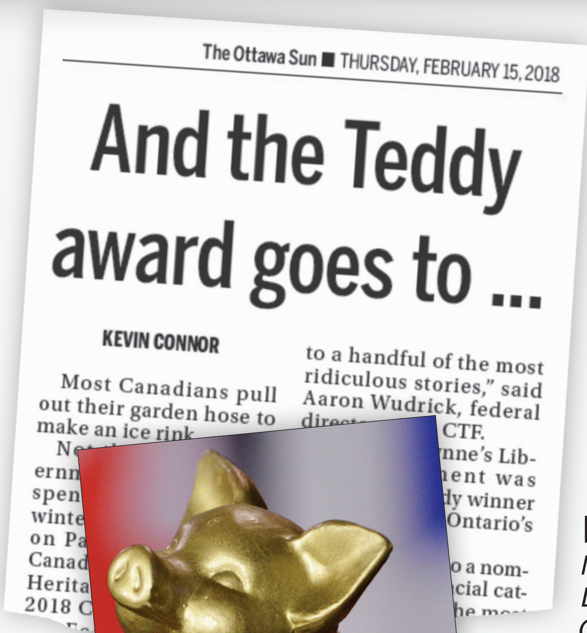
WINNER: Ontario's Fair Hydro Plan

Nominated for: Worst Cost Savings Plan Ever

Cost: $21 billion to $39 billion (projected)

The Wynne government, facing increasing public anger about rising hydro costs, came up with a plan to reduce bills, which will cost ratepayers tens of billions of dollars. A report by the Financial Accountability Office from May 2017 says the plan involves Ontario Power Generation borrowing money to keep hydro rates relatively flat until 2021 and will then see rates increase by 6.8% every year until 2027 in order to pay back the borrowed money with interest.

Ontario's auditor general issued a scathing report in October 2017, calling the plan "needlessly complex" and concluding that over the next 30 years, the Fair Hydro Plan would ultimately end up costing taxpayers an additional $39 billion ($18 billion in borrowed funds, plus $21 billion in interest costs).



The Ottawa Sun ■ THURSDAY, FEBRUARY 15, 2018

And the Teddy award goes to ...

KEVIN CONNOR

Most Canadians pull out their garden hose to make an ice rink

to a handful of the most ridiculous stories," said Aaron Wudrick, federal

NOMINEE: Government of Ontario

Nominated for: Most Expensive Counterfeit Rubber Duck

Cost: $200,000

The Ontario government paid $200,000 to have a giant rubber duck tour the province as part of the Canada/Ontario 150 celebrations. The rubber duck, which has no connection to Canada or Ontario, stands 61 feet tall and weights 30,000 pounds. It was built by an American company which charges approximately $40,000 per appearance (plus the cost of towing).

Several days after news of the duck broke, a Dutch design studio claimed that the rented duck was an "illegal counterfeit" which copied its concept and called the cost "exorbitant," noting that it would have made the original available had the government inquired.

NOMINEE: Government of New Brunswick

Nominated for: The Atcon Con

Cost: $63.4 million

Beginning in 1993, the Government of New Brunswick provided taxpayer loans and grants to Atcon, a Miramichi-based construction company. In 2010, the company collapsed while owing the provincial government more than $63 million.

An investigation by New Brunswick's auditor general in 2015 revealed that cabinet had ignored the advice of senior civil servants not to make a $50-million loan guarantee in 2009, and that cabinet also later removed terms and conditions put in place to minimize risk to taxpayers.

In 2017 a follow-up audit discovered that Atcon had been paying individuals who didn't actually work for the company and that several employees had submitted non-work-related expenses through the company. Worst of all, the auditor general found that at the time of the 2009 loan guarantees, Atcon's financial situation was so bad that the loans were "never going to have been enough to 'save' Atcon" in the first place and that the government's behaviour showed "a very troubling disregard for taxpayers' money."

> "The Fair Hydro Plan would ultimately end up costing taxpayers an additional $39 billion ($18 billion in borrowed funds, plus $21 billion in interest costs)."

NOMINEE: Danny Graham, CEO of Engage Nova Scotia

Nominated for: Most Disengaged Engagement Officer

Cost: $163,000 per year

Created by the Nova Scotia government in 2012, Engage Nova Scotia is a non-profit entity which aspires to "shine a light on our opportunities, advantages and hurdles in front of us."

In 2014, Premier Stephen McNeil appointed Danny Graham — who just happens to be one of McNeil's predecessors as leader of the Nova Scotia Liberals — as Engage's "Chief Engagement Officer" at a monthly salary of $13,500 (or $163,000 per year). In total, 78% of Engage's budget comes courtesy of taxpayer subsidies.

In spite of this generous salary, Graham has difficulty describing what Engage does and acknowledges it is difficult to quantify. In March 2017, the CTF called for the Nova Scotia government to stop subsidizing Engage Nova Scotia, citing no evidence that it provides value for taxpayers.

NOMINEE: SaskPower

Nominated for: Fishiest Office Decor

Cost: $20,000 per year

For decades, SaskPower, the province's electric utility, kept a fish pond in the lobby of its Regina headquarters at a maintenance cost of $20,000 per year to taxpayers.

The costs were ultimately revealed by a freedom of information request made by the CTF, which showed that in 2016, the fish pond had finally been removed at a cost of $15,000.

And in a happy ending, a good Samaritan adopted the fish.

Federal Teddy

WINNER: The Department of Canadian Heritage

Nominated for: Canada 150 Parliament Hill Rink

Cost: $8.2 million

As part of the celebrations commemorating Canada's 150th birthday, the Department of Heritage built a temporary skating rink on Parliament Hill.

Rules for the rink included: no food or drink, no cellphones (rule later dropped), no hockey sticks, no babies in carriers and no "rough play." Short, 45-minute skating time slots were released 48 hours in advance and reservations had to be made online.

The surprisingly high cost for the rink was attributed to security, insurance and attached facilities like changerooms and bleachers, as well as the cost of transporting peewee hockey teams to Ottawa. (Extreme cold weather, unheard of in the nation's capital, ultimately forced the players to move to an indoor rink.) Based on projections as of late January, using the number of people who had skated on the rink, the rink will have cost approximately $100,000 per day and $53 per skater.

Notably, the rink is located just one block away from the Rideau Canal, widely known as the world's largest skating rink.

> "The rink is located just one block away from the Rideau Canal, widely known as the world's largest skating rink."

NOMINEE: Department of Finance

Nominated for: Most Expensive Budget Cover Art

Cost: At least $192,000

Documents obtained under the *Access to Information Act* revealed that the Department of Finance spent at least $192,000 on graphics and advertising related to the 2017 budget, including $89,500 on talent fees for photos and models, and $24,990 for a photo shoot for four images on the hard-copy budget cover.

Emails between various Finance officials also documented the extensive back-and-forth over such details as the colour scheme, the ethnicities of the models and whether or not one model should wear glasses.

> The auditor general concluded in late 2017 that the total bill to fix Phoenix would be close to $1 billion.

The 2017 budget projected a deficit of $28.5 billion.

NOMINEE: Public Services and Procurement Canada

Nominated for: The Phoenix Payroll Boondoggle

Cost: Closing in on $1 billion

In 2009, the federal government began consolidating the payroll system for government employees, at an anticipated cost of $310 million. The new centralized Phoenix payroll system was supposed to save taxpayers $70 million a year beginning in 2016–17.

The government launched the Phoenix payroll system in two phases, in February and April 2016, but problems began to surface immediately, with reports of employees being underpaid, overpaid or not paid at all, and the number of problems has exploded since. As of December 2017, at least $400 million has been spent fixing the system with hundreds of thousands of cases outstanding. The auditor general concluded in late 2017 that the total bill to fix Phoenix would be close to $1 billion.

NOMINEE: The Trudeau Government

Nominated for: Most Offensive Settlement of a Lawsuit

Cost: $10.5 million

In July 2017, news broke that the Trudeau government had agreed to pay $10.5 million to settle a lawsuit launched by former Guantanamo Bay detainee Omar Khadr. Khadr had been seeking compensation, arguing that the Canadian government was complicit in his detention.

The Trudeau government implied that it "had no choice" but to settle the matter, based on a Supreme Court of Canada finding that Khadr's Charter rights had been violated. The ruling did not speak to compensation, which could potentially have been far less than $10.5 million.

A survey from the Angus Reid institute found that 71% of Canadians believed the Trudeau government should have fought the case and left a court to determine if he was owed compensation, and 65% of Canadians rejected the argument that the Trudeau government "had no choice" but to settle.

The CTF launched a petition opposing the payment and secured over 133,000 signatures in just nine days.

NOMINEE: Health Canada

Nominated for: Most Expensive Twitter Account

Cost: More than $100,000

Access to information documents obtained by the CBC showed that the Twitter account for the federal Minister of Health cost taxpayers more than $100,000 per year to operate.

The account, which tweeted on average less than twice per day, required the equivalent of 1.5 fulltime government employees to run, with after-hours and weekend work racking up $6,500 in overtime costs.

The documents showed that planning for tweets occurs weeks in advance and they undergo an extensive vetting and approval process. The Twitter account has only 3,200 followers.

Lifetime Achievement

The City of Calgary

Nominated for: Most Gaffe-Prone Public Art Program

Cost: At least $30 million

The city of Calgary has a long track record of wasting taxpayer dollars on public artwork stretching back to the inception of its public art policy in 2004. Its art projects garnered a Municipal Teddy nominee in 2015 and a winner in 2016. The city's public art policy has changed a bit over the years, but between 0.5% and 1% of the cost of a city project is required to be spent on public art.

Some of the more memorable examples of artistic waste include:

Bearing (2009) a $221,000 large metal ball and metal archway that is located at the Calgary fire department's repair and maintenance facility, which rarely gets visitors from the public as the art is behind the fence that surrounds the facility.

Wishing Well (2012) the five-metre-tall interactive steel sphere allowed visitors to send text messages that were supposed to be translated into unique lights and sounds. Unfortunately, it didn't work properly, and the same default sounds and lights were always displayed. This broken sculpture cost the city a total of $559,000. In 2014, a visitor was texting a message to the sculpture when its mirrored surface concentrated the sun's rays and burned her jacket. The sculpture has since been locked away in a city storage facility.

Traveling Light aka Giant Blue Ring (2013) this $470,000 giant blue ring with two lampposts on top of it does not count Calgary Mayor Naheed Nenshi among its fans. Upon seeing it at its unveiling in 2013, Nenshi declared, "I don't like it, I think it's awful."

Forest Lawn Lift Station (2015) aka the "Poop Palace" a $246,000 project with embedded LED lights that change color depending on how fast the station is pumping waste water.

Bowfort Towers (2017) created by a pair of New York artists, Bowfort Towers features four "sentinels," steel beams which are intended to look rusty but have been criticized as looking like "bombed-out ruins." Blackfoot artist Kalum Teke Dan also observed that the artwork resembles traditional Blackfoot burials in which bodies were left in trees.

SNAPSHOTS (2017) this $20,000 project, which features a series of blurred images in the 4th Street SW underpass, was removed after it was discovered that the artist used copyrighted images without permission.

THURSDAY, FEBRUARY 15, 2018 CALGARY HERALD

Aaron Wudrick of the Canadian Taxpayers Federation speaks as mascot Porky presents a Lifetime Achievement Award to Calgary at the Teddy Awards for Government Waste in Ottawa on Wednesday. *THE CANADIAN*

Federation pans city's public art program for wasting tax dollars

EVA FERGUSON

From the giant blue ring to the

ring), a $470,000 giant blue circle on a bridge near the airport with two lampposts on top.

Forest Lawn Lift Station, a

the British pho... work was used i... fuming.

"As artists and photographers, ... angry that this so-

Gag laws across Canada: putting the muzzle on watchdogs

by Christine Van Geyn
Ontario Director

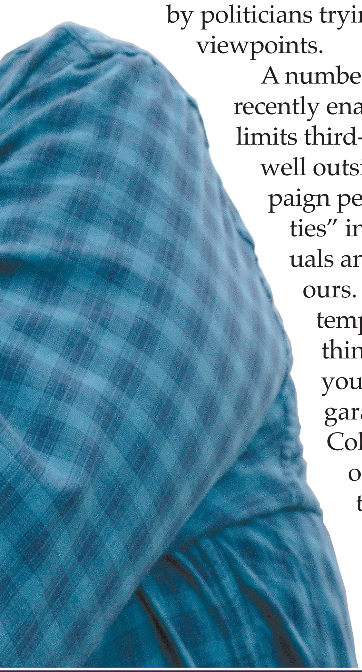
A lot has been written over the last few years about the rise of political correctness and the muzzling of free speech. It's an issue near and dear to our hearts at the Canadian Taxpayers Federation, where the views we ex-

Third-party advertising laws: where does your province stand?

	Pre-campaign period restrictions	Election period minimum sp threshold requiring registra
BC	60-day pre-campaign spending limits were struck down as unconstitutional in 2012. However, third parties must register with Elections BC and file a financing report if they engage in "direct" election advertising during the 60-day pre-campaign period. Direct advertising means explicitly supporting or opposing a political party or candidate by using their name, likeness or logo. It does not include issue-based advertising.	None. All spending requires registra third party must register before con advertising.
AB	The pre-election period exists in perpetuity. The pre-campaign spending limit only comes into force on Dec. 1 the year before the election and ends the day before the writ is issued. Before Dec. 1, there is no spending pre-campaign limit.	$1,000
SK	None	None
MB	90-day pre-election period limit is $100,000. Must register if spending more than $2,500.	$2,500
ON	Pre-election period starts six months before the issuance of the writ. This year that date was Nov. 9, 2017. The pre-election limit is $600,000 total or $24,000 in a single riding.	$500
PQ	None	None – all spending requires regist must be approved.
NB	None	$500
NS	The Elections Nova Scotia website says "In general, third-party election advertising runs during an election campaign, but it can start before an election is called." However, this interpretation from the government flies in the face of the wording of their own legislation. The limits to third parties are to "election advertising," which is defined as occurring "during an election." And election is defined as "the period commencing with the dissolution the House of Assembly, or the issuance of the writ for a by-election, and ending at the close of the polls on election day."	$500
PEI	None	None
NFLD	None	None

press are sometimes unpopular, especially with politicians.

That's why we are so concerned about new laws that have been popping up across the country, laws that are enacted by politicians trying to muzzle critical viewpoints.



A number of provinces have recently enacted legislation that limits third-party advertising well outside of an election campaign period. "Third parties" include both individuals and organizations like ours. These laws are an attempt to regulate such things as cardboard signs you might make in your garage (seriously, British Columbia regulates this), or websites hosting petitions against bad government policies set up months — or in Alberta's case, years — before an election.

We take aggressive positions on issues; that's why our supporters like us. For example, in Ontario we launched the Stop High Energy Bills campaign, attacking all parties for policy failures on electricity and carbon taxes. We raised money from grassroots donors to fund the campaign and launched the website and petition before new Ontario gag laws had been enacted. A year later, we were told by Elections Ontario that we would need to tell the government the names of CTF donors who had contributed to the campaign or we would need to shut the website down (we reluctantly opted for the latter).

> "It is an attempt to stop groups like ours from being heard, by intimidating the thousands of grassroots supporters who donate to the CTF."

The law in Alberta is even worse. In Ontario, the law only applies six months before the campaign period begins. In Alberta, if we wanted to put a billboard up three years before an election telling the government to balance the budget, we would need to register with the government and disclose the names of any donors who helped pay for that billboard.

These are gag laws, plain and simple. They are an attempt to force people to disclose who they support politically, even though we have a secret ballot meant to stop this kind of thing from happening. And it is an attempt to stop groups like ours from being heard, by intimidating the thousands of grassroots supporters who donate to the CTF.

These go beyond the laws that restrict political advertising during an election; those have been upheld as constitutional since they were unsuccessfully challenged by Stephen Harper when he was president of the National Citizens Coalition. And while we disagree with that Supreme Court ruling, which said it is constitutional to regulate third-party political speech during an election, regulations outside the campaign period have already been held to be unconstitutional.

When British Columbia first capped the pre-campaign spending of third parties, the law was struck down as a Charter violation. In fact, the law was struck down twice. Even knowing this, Alberta, Manitoba and Ontario have enacted nearly identical restrictions, which would almost certainly be struck down should they be challenged.

The Ontario legislation is now being challenged and we are considering launching a challenge of the Alberta legislation. These laws are unconstitutional, subjective and give too much discretion to overreaching bureaucrats.

Restricting or banning third-party advertising during the pre-campaign and campaign period is an important issue for Canadians who love freedom and who want to stop the ever-encroaching reach of government into our lives. t

pending tion	Election period spending limits
ation. The ducting the	$150,000 total, $3,000 for a single riding.
	$150,000 total, $3,000 for a single riding.
	None
	$25,000 total, no limits for specific ridings.
	$101,800 total, or $4,072 in a single riding (inflation adjusted amounts).
tration and	$300
	$14,619.57 total and $1,461.96 in a single riding (inflation adjusted).
	10,943.77, total and $2,188.75 in a single riding (inflation adjusted).
	None
	No regulation of third-party advertisers that are arm's-length from candidates or political parties. If the advertising is done with the knowledge of a party or candidate, the advertisement is treated as an in-kind contribution and must be recorded as such by the party or candidate's Chief Financial Officer.

CTF wins important victories

by Todd MacKay
Prairie Director

Big white binders can be a pretty exciting gift for people who have waited for years to get them.

Courageous activists in First Nations communities across Canada are demanding to know what's happening with their band's money. The Canadian Taxpayers Federation partnered with two of those activists: Charmaine Stick from Onion Lake Cree Nation and Harrison Thunderchild from Thunderchild First Nation. And both Charmaine and Harrison have won important victories.

Let's start with Harrison.

Thunderchild First Nation is one of the bands that refused to comply with *The First Nations Financial Transparency Act* (FNFTA) and took the government to court to oppose the law. Two years ago, the Liberal government stopped enforcing the law, so bands faced no consequences for failing to publish their audited financial statements or the salaries and expenses paid to chief and council.

That didn't sit well with Harrison. He's the last grandchild of the Chief Thunderchild who brought the band into Treaty Six. Harrison's now an elder and he's carrying on the leadership principles of accountability and transparency.

Harrison sent a letter to Thunderchild First Nation asking for the financial documents. He got no reply. He went to the band office. He got locked out.

But Harrison had also partnered with the CTF to launch a court application to compel his band to provide transparency. Our lawyers filed the papers and prepared the arguments.

Then, this spring, Thunderchild First Nation suddenly changed its mind. The leaders who had locked Harrison out of the band office had the documents hand-delivered to him. We published the books online and presented big white binders full of documents to the activists working with Harrison.

The documents show that Chief Delbert Wapass received a salary of $90,000 and another $63,642 in expenses in 2016. The rest of council averaged $61,428 in salary and $33,244 in expenses. The national average is $58,856 for the chief's salary with $18,859 in expenses and $35,235 for council members with $10,364 in expenses. The average income for residents in Thunderchild First Nation is $15,811.

> "The leaders who had locked Harrison out of the band office had the documents hand-delivered to him."

The change of heart at Thunderchild First Nation wasn't only due to respect for Harrison's wisdom. The band's lawyers took a close look at what was happening at Onion Lake Cree Nation. The lawyers advised the leaders at Thunderchild First Nation that a legal fight was a losing proposition. The lawyers were right.

All of which brings us to Charmaine's big win.

Harrison Thunderchild

for First Nations transparency

Actually, it's Charmaine's second big win.

Charmaine's home band of Onion Lake Cree Nation has led the fight against *The First Nations Financial Transparency Act*. It has never disclosed its audited financial statements or the salaries and expenses paid to chief and council. Charmaine partnered with the CTF to take her leaders to court.

Last summer, the Court of Queen's Bench ruled in Charmaine's favour. It clearly stated the band must provide her with copies of the documents and publish them. But Onion Lake Cree Nation went to the Court of Appeal.

The band argued that it offered Charmaine the opportunity to look at the books in the band office with a band employee there to answer questions. What more could she want?

The Court of Appeal did not look favourably on those arguments.

"Providing Ms. Stick with an opportunity to examine such documents at the band office in the presence of individuals employed by the First Nation's leadership is not a 'reasonable accommodation,'" wrote Justice Jacelyn Ryan-Froslie in a unanimous Appeal Court ruling released March 26. "It does not allow Ms. Stick an opportunity to review the information in a neutral setting nor does it give Ms. Stick time to consider the information."

Charmaine won. The Court of Appeal ruling is unequivocal: Onion Lake Cree Nation must give Charmaine the documents and publish them online. It stated the band must comply with the FNFTA, but it went further. It stated Charmaine has a right to the documents that transcends the legislation.

This is big. Charmaine's court application was a clear factor in Harrison's victory. Other First Nations activists from across Canada are contacting Charmaine to ask how they can build on her victories in their own communities. This is a precedent-setting ruling that will benefit grassroots bandmembers for years. Not to mention all Canadian taxpayers.

Onion Lake Cree Nation has yet to respond to the ruling. It may seek leave to appeal to the Supreme Court. It may simply refuse to comply and force Charmaine to have her own leaders found in contempt of court. Or Onion Lake Cree Nation may do what Thunderchild First Nation has already done — open the books.

Nor is it clear what the federal government will do. It still isn't enforcing the FNFTA. The Liberals have said they plan to repeal the act and replace it with something more palatable to the few chiefs who refuse to obey the law. But the Court of Appeal's ruling will remain in force even if the law changes. Prime Minister Justin Trudeau's stance on First Nations transparency is more precarious because of these victories.

No matter what happens in Onion Lake Cree Nation or in Ottawa, there's a growing demand among grassroots First Nations people for accountability and transparency in their communities. Thanks to our supporters, the CTF will continue to support that movement.

Charmaine still needs to get her big white binder and so do many other First Nations activists across the country. t

Charmaine Stick

Generation Screwed

by Renaud Brossard
Generation Screwed Executive Director

Governments across the country were competing earlier this year to see which could bring in the worst possible budget. It was tight, but we think Ontario won with a renewed focus on spending money in hopes of re-election.

Meanwhile, we've been busy organizing young Canadians to fight back against the tax-and-spend ideology that is sadly prevailing in legislative assemblies across the country. Here are a few of the things we've been doing these past months.

Ottawa Manning Conference

In what has become a tradition, we were present again at this year's Manning Conference in Ottawa. By the time the event ended, a majority of attendees had come by our kiosk to chat with us and take away some literature, stickers or buttons. We don't want to brag (except that we really do), but one could say our kiosk was the most popular among all the exhibitors.

While so many of us were in Ottawa, we thought we'd take a few pictures in front of Parliament and express our discontent with the massive debt load politicians are leaving for young Canadians to pay. On campuses across the country, more and more young Canadians are seeing the need to balance the budget and start reducing the debt. The fight might be far from won, but that's never been a reason for us to back down.

Rally 4 Resources in Vancouver

The pipeline dispute between BC and Alberta has jeopardized billions of dollars of resource income for everyday Canadians and governments across the country, money that could be used to pay down the debt and give us all a bit of fiscal relief. We couldn't stand idly by and let BC's NDP and Green coalition stop such an important nation-building project. When the good folks at Rally 4 Resources asked us if we wanted to participate, we happily said yes.

Generation Screwed BC Regional Coordinator Ben Lawton spoke to the rally, delivering a message of low debt, fiscal restraint and economic development. We'll keep fighting the good fight for sound economic development, the kind that is sustainable without major government intervention.

Calgary forum

Generation Screwed hosted its eighth forum, this time going to Calgary's Mount Royal University. The event featured experts such as the *Calgary Sun*'s Rick Bell, Calgary Coun. Jeromy Farkas and former Harper speechwriter Nigel Hannaford, along with the CTF's own Scott Hennig and Colin Craig. Together, they provided insights as to how we can work together to refuel the Alberta advantage, and restore the economy to its former glory: cut red tape, lower taxes and return to fiscal responsibility through balanced budgets.

In a very insightful presentation, Blake Leew, a project manager in the construction industry, told us how Alberta's new labour laws, passed by Premier Rachel Notley's NDP government, allow a union to deceive employees into unionizing. Alberta has done away with the former requirement that gave all workers the right to vote on whether they would unionize. The NDP has implemented a card check system instead, allowing unions to avoid consulting every single worker when trying to unionize a site.

Under the new system, union officials showed up on site and tricked numerous employees into signing up, telling them they owed hundreds of dollars in past union dues, but could make it go away for a simple signature and a toonie. It would seem the NDP isn't just helping their friends in the bureaucracy, but also their friends in big unions.

Touring Atlantic Canada

When we think of Atlantic Canada, many of us probably think of good seafood, beautiful fishing towns … and big government. We kicked off the new year by tackling the third of these stereotypes. Generation Screwed toured Atlantic Canada, stopping in Halifax, Wolfville and Antigonish in Nova Scotia, as well as St. John's in Newfoundland, for five different events in as many days. What we saw there was really refreshing: a bunch of university students showed up at our various events, interested in bringing an end to the bureaucratic growth machine.

Big thanks go out to Acadia University Prof. Rick Mehta (pictured below, middle), who invited us to Wolfville in order to bring a different point of view to his campus, and to the St. John's Board of Trade for hosting us in Newfoundland. t

You asked for it?

Jeff Bowes, Research Director, answers:

Bob Dawson from Sherwood Park, AB asked: "Just how much of the cost of my airline ticket is taxes?"

by Jeff Bowes
Research Director

Up to half of an airline ticket's final price can be taxes and fees. If you look closely at your receipt, there is a breakdown of what those taxes and fees are — but it's unclear and incomplete. It also doesn't include the tax on aviation fuel.

How much tax you pay on airfare depends on where you're flying to. I'll focus on flights between Edmonton and Toronto, as an example, and on domestic flights in general. For a round-trip flight costing $700, if you start in Edmonton, the total tax would be $66, a 9% tax. If you start in Toronto, the total tax would be $115, a 15% tax.

Most of the difference is sales tax. The departure airport for the first flight in your trip determines what sales tax you pay. If you start in Edmonton, you pay 5% GST, but if you start in Toronto you pay 13% HST. In provinces west of Ontario, you just pay federal sales tax. In Ontario and all provinces east, you pay federal and provincial sales tax.

You also pay an airport security tax. The Air Travellers Security Charge costs $14.24 for round-trip domestic flights. The tax is meant to fund Canadian Air Transportation Security Authority (CATSA), the Crown corporation that provides airport security screening. However, in the past six years the federal government has collected more than $200 million beyond what CATSA has spent on airport security.

Fuel taxes won't appear on your receipt, but the airline is passing the cost on to you. The federal tax on aviation fuel is four cents per litre, and provincial taxes range from 0.7 cents in Price Edward Island to 6.7 cents per litre in Ontario. In Alberta the tax is 1.5 cents per litre.

For a flight between Edmonton and Toronto, fuel taxes add $12 to the cost of your airline ticket. Almost half goes to the federal government, less than a dollar to the Alberta government and $5.46 to the Ontario government. (That estimate is based on flying on a modern Boeing 737; on an older or smaller plane your share would be

"The Air Travellers Security Charge costs $14.24 for round-trip domestic flights."

"A round-trip flight between Vancouver and Prince Rupert includes a $5 carbon tax."

"For a flight between Edmonton and Toronto, fuel taxes add $12 to the cost of your airline ticket. Almost half goes to the federal government."

"If the Trudeau government puts its $50 per tonne carbon tax on aviation fuel, it would add $18 to the cost of round-trip airfare between Edmonton and Toronto."

higher.)

Currently there is no carbon tax on flights between provinces, but British Columbia and Alberta have carbon taxes on flights within the province. The cost of a round-trip flight between Calgary and Fort McMurray has approximately $4 in carbon tax included. A round-trip flight between Vancouver and Prince Rupert includes a $5 carbon tax.

The Trudeau government wants to implement a “consistent national approach” on aviation fuel carbon taxes, but it hasn’t been clear what that means. If it put its $50 per tonne carbon tax on aviation fuel, it would add $18 to the cost of round-trip airfare between Edmonton and Toronto.

Two other charges are usually listed on your receipt under fees and taxes, but they are fees, not taxes. They go to the airlines, airports and Nav Canada, not the government.

You pay an airport improvement fee to each airport you fly out of. The fee is meant to help fund infrastructure upgrades. While it’s not a tax itself, the fee does affect how much sales tax you pay, because sales tax is charged on the fee according to what province the airport is in. For Edmonton International Airport the fee is $30; including GST it costs you $31.50. For Toronto Pearson International the fee is $25; including HST it’s $28.25.

The other fee is the airline surcharge, which might also be listed as “other air transportation charges.” For domestic flights this includes a surcharge to cover the flight’s Nav Canada fees and an airline insurance surcharge. Sometimes it will also include a fuel surcharge, but the large Canadian airlines don’t currently have fuel surcharges on domestic flights.

Nav Canada is a private company that provides air traffic control services. The airlines pay a fee to Nav Canada for each flight. To cover that fee, airlines add a surcharge to domestic flights of $9 for flights under 300 miles, $15 for flights between 301 and 1,000 miles and $20 for flights over 1,000 miles. For a round-trip flight between Edmonton and Toronto the fee would be $40.

The insurance surcharge is a $3 fee added to each flight. It was added by airlines following the Sept. 11 terrorist attacks, to help cover the cost of higher aviation insurance.

All these taxes and fees only partly explain why flying in Canada is so expensive. There is another tax that adds to the cost of your airline ticket, namely the rent paid by airports to the federal government. Canada’s airports were privatized in the 1990s, but the government still owns the land, and charges rent to the not-for-profit airport authorities that operate them.

The rent is based on a percentage of airport revenues; it’s 12% for revenues over $250 million. Edmonton’s rent cost $17.5 million in 2016 and Toronto’s cost $148.1 million. Those costs are passed on to the airlines with higher landing fees, which in turn drives up costs for you.

It’s hard to say how much airport rent affects your ticket price, but it epitomizes how government policy makes flying in Canada so much more expensive than in the United States. In the US, the government subsidizes building airports, while in Canada they’re not only paid for by user fees, but the government charges airports rent on top of that. Ultimately, our government’s policies treat the airline industry as a source of revenue and your ticket to fly is paying the price.

“You pay an airport improvement fee to each airport you fly out of — Edmonton International Airport charges $31.50 including GST.”

“The federal tax on aviation fuel is four cents per litre.”

Want the CTF to tackle your question? Ask for it by e-mail at: research@taxpayer.com

Double-dipping among budget’

by Kris Sims
BC Director

The new provincial budget served up new taxes for citizens to chew on and many can’t swallow them.

The Canadian Taxpayers Federation was inside the provincial budget lock-up in Victoria in February to hear the minister of finance, Carol James, deliver the mostly bad news to the gathered groups.

Health tax

The NDP government blindsided employers by springing a new Employer Health Tax (EHT) on them.

The EHT will be placed on every employer with a payroll of more than $500,000, topping out at 1.95% of payroll for those payrolls over $1.5 million.

The NDP claimed the tax was meant to replace the Medical Services Premium (MSP), however the new tax will start before the MSP is eliminated, creating a double dip by government.

It’s one of the ways the government was able to barely balance the budget.

The EHT hits many more employers than those who had previously paid their workers’ MSP bills. It’s estimated that more than half of Canadian Federation of Independent Business members will have to pay this tax, while only 17% of them were previously able to pay their employees’ government health tax.

Towns are also being shaken down by Victoria for more money with this new tax. Since most towns and cities have payrolls of more than $500,000, they will have to pay the new health tax … by using tax dollars from their residents. Coquitlam estimates that with the MSP and EHT double-dip, the city will have to pay $1.1 million in one year. The town of Vernon estimates the new health tax will cost the community about $448,000.

When the fall budget update was delivered last September, the NDP said that a panel was studying how to replace the tax revenue that would be lost with the reduction and future cancellation of the MSP. The government, however, imposed the new EHT before the panel had delivered its final report.

Speculation tax

Under the pretence of dealing with the housing affordability crisis affecting the Lower Mainland and other densely populated regions, the government announced a new “speculation tax” for people who own more than one property. The targeted areas were initially going to be Metro Vancouver, Kelowna, Victoria and Nanaimo, but local governments are pushing for and getting some exemptions. Many Canadians who have owned family cabins in BC for years, and Albertans who work in the oil fields and live in BC, are worried about getting snagged in the tax.

The CTF is helping to fight the speculation tax along with others

How much higher will gas prices go?

CTF BC Director Kris Sims signing a giant letter supporting the Kinder Morgan pipeline.

’s bad news

across the province. You can join the fight by visiting our group’s website here:
www.scrapthespeculationtax.ca/

School tax

Homeowners whose property values have skyrocketed in the last 10 years are also getting hit by another new tax. The NDP is calling it a “school tax.” For every home valued over $3 million there is a new tax of 0.2% per year on the amount over $3 million, while homes valued over $4 million will see a tax of 0.4% per year. For example, if a home is valued at $8 million, that means $16,000 per year in this new tax. This is on top of other taxes these homeowners already pay. Most of these homes are in West and North Vancouver. Some of these homeowners have been in their neighbourhoods for more than a generation and they do not want to be forced out of their family homes because of jacked-up taxes.

“The government hiked BC’s carbon tax to $35 per tonne, the highest rate in all of Canada.”

“The NDP claimed the tax was meant to replace the Medical Services Premium (MSP), however the new tax will start before the MSP is eliminated, creating a double dip by government.”

Carbon tax

The government hiked BC’s carbon tax to $35 per tonne, the highest rate in all of Canada, while provinces such as Alberta and Ontario are having second thoughts about taxing their citizens’ carbon dioxide emissions.

The carbon tax increase has tacked an extra 1.22 cents per litre onto the highest gasoline prices in North America. Average prices in Vancouver are about $1.54 per litre for regular gasoline, and they aren’t cheap in Kamloops, Prince George and Kelowna either.

With those prices, commuting to work is a heavy expense for most families in the Lower Mainland. Commuting in a family sedan or an average SUV costs about $14 for a round trip from Langley to Vancouver, a minimum of $280 per month just to get to work.

Under the federal formula at $35 per tonne, the carbon tax tacks on an extra $6 to fill up a family sedan, $10 extra to fill up a Dodge pickup truck, $17 extra to fill a Ford Diesel Super Duty truck and $45 to fill up a single-cylinder diesel tank on a Peterbilt tractor trailer.

“Homeowners whose property values have skyrocketed in the last 10 years are also getting hit by another new tax.”

Kinder Morgan: join the protest

The CTF joined with more than 70 other groups from business to labour to tell Prime Minister Justin Trudeau to hammer out a solution to the Kinder Morgan Pipeline impasse.

The CTF signed the group letter (left) at a large news conference called “Confidence in Canada” held in Vancouver in April.

The importance of oil and gas to the Canadian economy and the modern way of life cannot be overstated and the Kinder Morgan Pipeline should be built.

To send a message to Trudeau, go to our group’s action website here:
www.confidenceincanada.com/

A transit tax bacchanalia

All three levels of government in March announced an agreement to spend more than $7 billion of your money on transit for the Metro Vancouver area.

The event was treated as a win for government … rather than a bacchanalia of spending.

Despite Metro Vancouver taxpayers voting NO to a Transit Tax in 2015, the government in Victoria is filling a “gap” in funding with the money from taxpayers across the province.

The CTF was at the announcement and spotted metro staffers wearing old “VOTE YES” buttons left over from the referendum they lost. They were heard them talking about “digging out the old swag” to celebrate their win in getting the money from the province’s taxpayers. t

Feds give FREE PASS to foreign oil

by Colin Craig
Alberta Director

When massive oil and gas, mining and other natural resource projects are cancelled, governments miss out on billions in tax revenues.

And when governments miss out on those revenues, guess what? They come after the rest of us for the money through higher taxes.

What's going on in this country right now is appalling. In 2016, the *Financial Post* identified "35 projects worth $129 billion that have been stalled or cancelled due to opposition from environmental, aboriginal and/or community groups."

To make matters worse, researcher Vivian Krause has exposed how many of those radical environmental protest groups are actually funded by US entities;

Skyrocketing debt until a miracle arriv

The big number in the 2018 Alberta spring budget was $96 billion.

That's how much debt the provincial government expects to amass by 2023 if Premier Rachel Notley is re-elected and carries out her plans. Astounding, isn't it?

Back in 2004, Ralph Klein held up his "paid in full" sign at the Calgary Stampede, proudly noting that Alberta was debt-free. Ballooning resource revenues helped Klein pay off the debt, but his government would have never accomplished such a feat had it not made countless difficult decisions to get spending under control. All of that positive progress has now been flushed down the drain.

When Notley took office in 2015, the debt was approximately $13 billion. Now it's approximately $43 billion. By the end of her term in May 2019, she expects to reach $54 billion in debt, roughly quadrupling the debt. Can you think of any other premier who accomplished such a dubious feat in just one term? We can't either.

This year the government deficit is $11 billion. The premier claims she'll eventually balance the budget by 2023. However, here's what her plan requires over the next several years for that to come to fruition:

- Annual oil and gas revenues need to increase by 174%;
- The economy has to grow faster than private sector experts predict;
- The unemployment rate needs to be lower than experts predict;
- The Trans Mountain pipeline needs to get built;
- Housing starts need to be higher than experts predict; and
- Spending needs to be lower than the combined rate of population growth and inflation every year from 2018 to 2023 (this has hap-

they're essentially pawns for economic warfare.

In the last issue we described how the Trudeau government required TransCanada's Energy East pipeline project to undergo an "upstream and downstream" emissions review. Meanwhile, documents obtained by the CTF showed that Bombardier and Ford didn't have to go through a similar review before receiving enormous financial assistance from the federal government.

In early 2018, we then asked whether foreign oil imported to Canada has to undergo an upstream and downstream emissions review. Four federal departments each indicated they have no documents related to such a review.

Thus, the federal government has put roadblocks in front of Canadian oil and gas projects while rolling out the red carpet for foreign oil. We held a press conference in Calgary in March to expose the contrast. (See Taxpayer.com to view columns we wrote and visit our Facebook page to see a video on the issue.)

Stay tuned. We've posed even more questions to the federal government about what's going on and will let you know when we hear back.

ves in 2023

pened only once in the last four years).

If those six pieces all fall into place, we'll see a 1% surplus by 2023. In other words, don't count on it.

Incredibly, the Alberta government will actually spend $2.6 billion more than British Columbia this year, even though BC has half a million more people.

Had Alberta spent at the same per capita level as BC this year, we wouldn't have a deficit this year. As the saying goes, Alberta has a spending problem, not a revenue problem.

Olympics may be fun to watch, but . . .

Without a doubt, the Olympics can be a lot of fun to watch on TV. However, it's been clear for a while now that taxpayers can't afford the $2.4-billion price tag for hosting the Olympics again in Calgary. (Note that the $2.4-billion forecast doesn't include likely cost overruns, the bill for building a new arena and debt interest charges.)

The federal government's debt is currently rising by over $2 million per hour.

The provincial government's debt is rising by over $1 million per hour. Many households and businesses in Calgary are already struggling with existing property tax rates, never mind increasing them to pay for the Olympics.

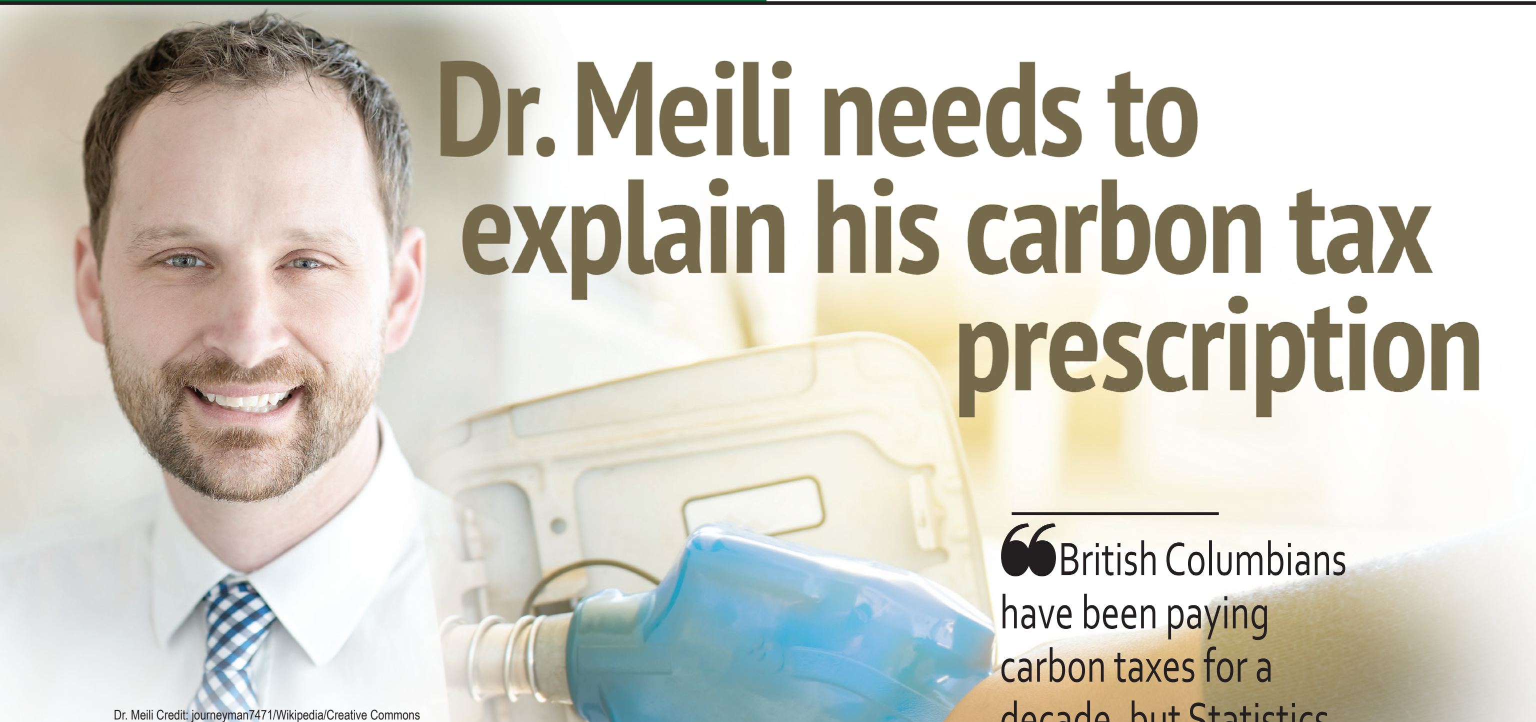
Alberta Director Colin Craig and former Alberta Director Paige MacPherson (who is our incoming Atlantic Director) doorknock with volunteers in Calgary.

An April survey of CTF supporters across Alberta found 87% were opposed to an Olympic bid. The percentage was actually a bit higher in Calgary.

We sent several emails to our supporters encouraging them to contact their city councillors and urge them to pull the plug on the costly project. We conducted many media interviews with talk radio, television, newspapers and Internet sites. We also wrote columns, posted videos online and even organized some door-knocking in key wards where council members were considering switching their vote.

Unfortunately, council voted to keep exploring a bid, expected to cost $30 million split among three levels of government. With a plebiscite on the horizon, the battle has only begun. Visit NoOlympicBid.ca to keep up to date on our efforts to support the "NO" side.

Dr. Meili needs to explain his carbon tax prescription



Dr. Meili Credit: journeyman7471/Wikipedia/Creative Commons

by Todd MacKay
Prairie Director

Sometimes patients wonder whether the cure is worse than the disease. A good doctor will take the time to talk through those questions. It's a process that's also applicable to politics, as NDP's new leader prescribes a carbon tax for the province.

"I think carbon pricing is a model that works," said Dr. Ryan Meili after winning the NDP leadership race.

But the good doctor needs to address important questions from taxpayers about exactly how this plan would work for Saskatchewan.

Here's the first question: how much will a carbon tax cost taxpayers? Don't answer quickly — think it over. How much will a carbon tax *really* cost taxpayers?

Prime Minister Justin Trudeau is proposing a carbon tax that would start at about 2.2 cents per litre of gasoline ($10 per tonne of carbon) and rise to 11 cents per litre ($50 per tonne). That's real money for families driving their kids to the rink four days a week or concrete workers pulling a trailer loaded with power tools. It's lot more money for farmers and truckers.

But how much will a carbon tax *really* cost? Alana Lajoie-O'Malley, Meili's colleague at the Evidence Network, cites a Simon Fraser University study that states, "to achieve the Paris commitment a Canada-wide emissions price would need to start at $30 per tonne of CO2 and rise $15 annually to $200." Internal documents produced by the federal government say a carbon tax would have to go even higher. Taxpayers are rightly suspicious that initial carbon tax rates are only a starting point that will soar gas taxes by more than 40 cents per litre.

> "British Columbians have been paying carbon taxes for a decade, but Statistics Canada reports net sales of gas and diesel have increased by 235 million litres from 2012 to 2016."

Here's the next question: what happens to the money? When politicians propose new taxes, the polite thing to do is explain where the money will go. But taxpayers are often told to hand over the money first and trust the government to come up with a plan for it later.

Consider the carbon tax proposed by the Progressive Conservative government in Manitoba. The plan will cost taxpayers $260 million annually, but it's only vaguely suggested some will go towards lowering other taxes, with the rest going to government spending. Some of Alberta's carbon tax funds rebates, but a lot of it stays in government coffers. Even when British Columbia's carbon tax was sold

as revenue-neutral, the Fraser Institute calculated it cost taxpayers hundreds of millions in higher taxes. Now the new BC government has abandoned the pretext of revenue neutrality to pour increasing carbon taxes into government spending.

Taxpayers have one last question: will a carbon tax really help the environment?

A key carbon tax goal is to reduce fossil fuel use, but what if it doesn't? British Columbians have been paying carbon taxes for a decade, but Statistics Canada reports net sales of gas and diesel have increased by 235 million litres from 2012 to 2016; that's up 3.85%. It's worth noting that BC's neighbour to the south, Washington State, emphatically rejected a carbon tax in a referendum and rejected it again in the Democrat-controlled state legislature.

Maybe Meili can explain the actual cost of a carbon tax; what will happen to the money; and, how it will help the environment. It won't be easy, but he's smart, and healthy debate is good. On the other hand, it's possible that engaging with taxpayers will lead to a different conclusion: a carbon tax is the wrong prescription for Saskatchewan.

What the budget doesn't deliver

Sometimes the biggest story in a budget is the thing that doesn't happen.

The government promised another half-point income tax cut. The promise was in last year's disastrous budget and it was supposed to ease the pain of the massive PST hike and expansion. The massive PST is staying, but now the promised income tax relief is on hold. That means Saskatchewan's tax bill is $120 million higher than it was supposed to be.

To put that in context, when Scott Moe became premier, he moved quickly to take the PST off premiums for health, life and agricultural insurance. It was a big move and it saved taxpayers $120 million.

This spring's budget didn't have any sweeping tax hikes or expansions like last year's budget, but small tax changes come with big bills. The province is expanding PST charges on used cars and that change will cost taxpayers $95 million.

It appears that Saskatchewan is making progress on the deficit and it's certainly doing much better than virtually every other province, but it isn't out of the woods yet.

The province is projecting an operational deficit of $365 million this year and a $6 million surplus next year. That doesn't leave much room for error on a $15-billion budget.

Here's the thing: the overall debt is projected to keep going up and it's going up a lot.

This year the taxpayer-supported debt (all debt excluding Crown debt) will hit $9 billion.

Next year the taxpayer-supported debt is projected to hit $10.8 billion.

That needs to change.

During the Saskatchewan Party leadership campaign, Moe signed the Canadian Taxpayers Federation's pledge to balance the operational budget, start paying down the debt and stay away from tax hikes.

The PST hike on used cars may not break that last promise on tax hikes, but it certainly bends it. If current projections roll out perfectly, he'll deliver on the pledge to balance the operating budget. But he has a long way to go to get the debt going back down. t

"The massive PST hike is staying, but now the promised income tax relief is on hold."

Ministers not confident in their own plan?

by Todd MacKay
Prairie Director

Provincial legislation requires that the government make progress toward a balanced budget. But on the off chance that it doesn't, the Conservatives don't want cabinet ministers to take a cut in pay.

MLAs are paid $94,513 annually. Cabinet ministers get another $51,745, for a total of $146,258. Manitoba's balanced-budget legislation requires the government to trim the operating deficit by at least $100 million per year. If it doesn't, the same legislation imposes a 20% cut to the ministerial top-up. If the target is missed again the next year, the penalty doubles to 40%.

So, ministers could see their pay fall from $146,258 to $125,560. This is $31,047 more than a backbench MLA. (And $48,570 more than the median household income in Manitoba.)

Here's the government's workaround. Cabinet ministers will still suffer pay cuts for missing targets, but if after eight years and the next election, the government of the day manages to balance the budget, those ministers will be refunded in full.

The government is confidently projecting the deficit will shrink by more than $100 million every year. Why aren't Manitoba ministers confident enough to link a fraction of their own salaries to the success of their plan?

NDP delays carbon tax

Manitobans desperately need tax relief and are getting some from an unlikely source: the NDP.

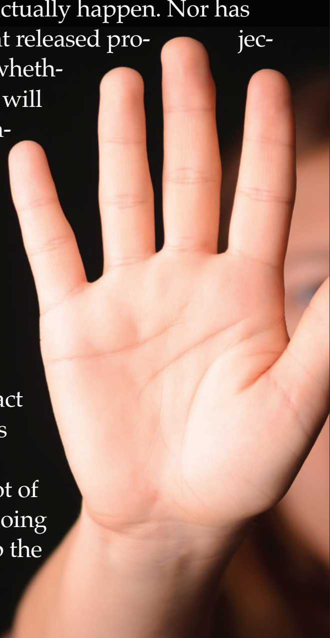
NDP leader Wab Kinew announced the opposition would use legislative procedure to delay implementation of Pallister's carbon tax. The premier wants to impose his carbon tax Sept. 1, even though Prime Minister Justin Trudeau isn't demanding that provinces collect the tax until Jan. 1, 2019. The NDP's plan to stall legislation until November means the carbon tax is unlikely to hit Manitobans until December.

By delaying Pallister's carbon tax, the NDP will save taxpayers about $60 million.

"At this time when we want people to transition to green choices, the government is asking them to do so with less money in their pockets," Kinew wrote on Twitter. "It doesn't make sense."

Kinew is right. Pallister says other tax cuts will offset the carbon tax, but he hasn't released any numbers showing how that will actually happen. Nor has the government released projections to show whether a carbon tax will reduce fuel consumption.

Kinew isn't opposed to carbon taxes, nor is the NDP averse to tax hikes. But Kinew recognizes the simple fact that Manitoba's carbon tax will cost people a lot of money while doing nothing to help the environment.



Is Baghdad Bob working in Manitoba?

If someone says the sky is green, what's the proper response to something so obviously incorrect? Taxpayers found themselves in that uncomfortable position when Manitoba released its budget.

"Budget 2018 delivers largest tax cut in Manitoba history," blared the headline on the government's March press release.

The government proudly announced its plan to reduce income taxes by expanding the basic personal exemption by $1,010 Jan. 1, 2019, and another $1,010 a year later. When all of that happens, it'll save taxpayers $156 million per year. And the government went on to celebrate an increase to the small business tax threshold that will save entrepreneurs $7 million per year when fully implemented.

The actual budget documents showed something very different.

"Carbon tax — $248 million," stated a somber page entitled Financial Summary of Tax Measures.

Despite strong opposition from Manitobans, the budget showed Premier Brian Pallister is pushing ahead with his carbon tax plan. Under his plan, Manitobans will see gas prices spike by 5.3 cents per litre starting Sept. 1. The government's press release celebrating tax cuts doesn't even mention the carbon tax.

But the Financial Summary of Tax Measures fills in the blanks. When the tax increases and cuts are totalled, taxes are increasing by $118 million this year. That's a huge overall tax increase.

Stakeholders started grilling government officials. How can there be a historic tax cut if the budget shows taxes are actually going up? Officials ducked questions and clung to their talking points. They wouldn't have admitted to a tax hike if they were waterboarded.

> "Somehow, the election platform failed to mention that a chunk of that tax cut would be clawed back through a carbon tax."

Were taxes going up or down? Is the sky blue or is it green?

When in doubt, it's best to check with the *Winnipeg Sun's* Tom Brodbeck.

"MB budget: New carbon tax comes into effect Sept. 1," wrote Brodbeck on Twitter before the finance minister even finished his budget speech. "Generates $248 million in new revenue for province. Small income and other tax cuts to partially offset. But total net tax increase of $118 million in 2018-19."

In four sentences, Brodbeck cut through pages of government spin.

But the spin cycle wasn't done yet.

"The province will return all revenue collected from the carbon tax to Manitobans over the next four years through various measures, which include personal income tax relief, small business tax reductions, and rolling back the retail sales tax to 7% by 2020," stated a government release.

Without any numbers to back it up, the government insisted it would all work out for taxpayers.

But wait. What was that last bit?

The promised PST cut would be paid for, at least in part, by a carbon tax?

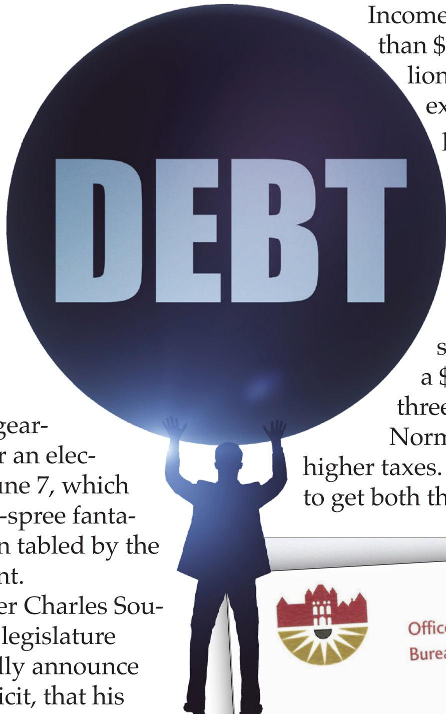
Funny. Pallister made a campaign promise to cut the PST by a point. Somehow, the election platform failed to mention that a chunk of that tax cut would be clawed back through a carbon tax.

Once again, Brodbeck delivered the definitive ruling.

"Tory spin around legislature these days on taxes getting dangerously close to Iraqi information minister level," he tweeted. t

Higher taxes, more debt

by Christine Van Geyn
Ontario Director



Ontario is gearing up for an election on June 7, which means a spending-spree fantasy budget has been tabled by the Liberal government.

Finance Minister Charles Sousa stood up in the legislature March 28 to proudly announce his government's $6.7-billion deficit, that his government plans to run deficits for six years, that he will be raising income taxes for at least 1.8 million people and increasing taxes for thousands of small businesses.

The budget marks a highwater mark for spending, at $158.5 billion, or $11,167 per person. And this increased spending means increased debt. For the next four years, the government expects to add more than $16 billion to net debt each year, bringing total net debt to a whopping $360 billion by 2020.

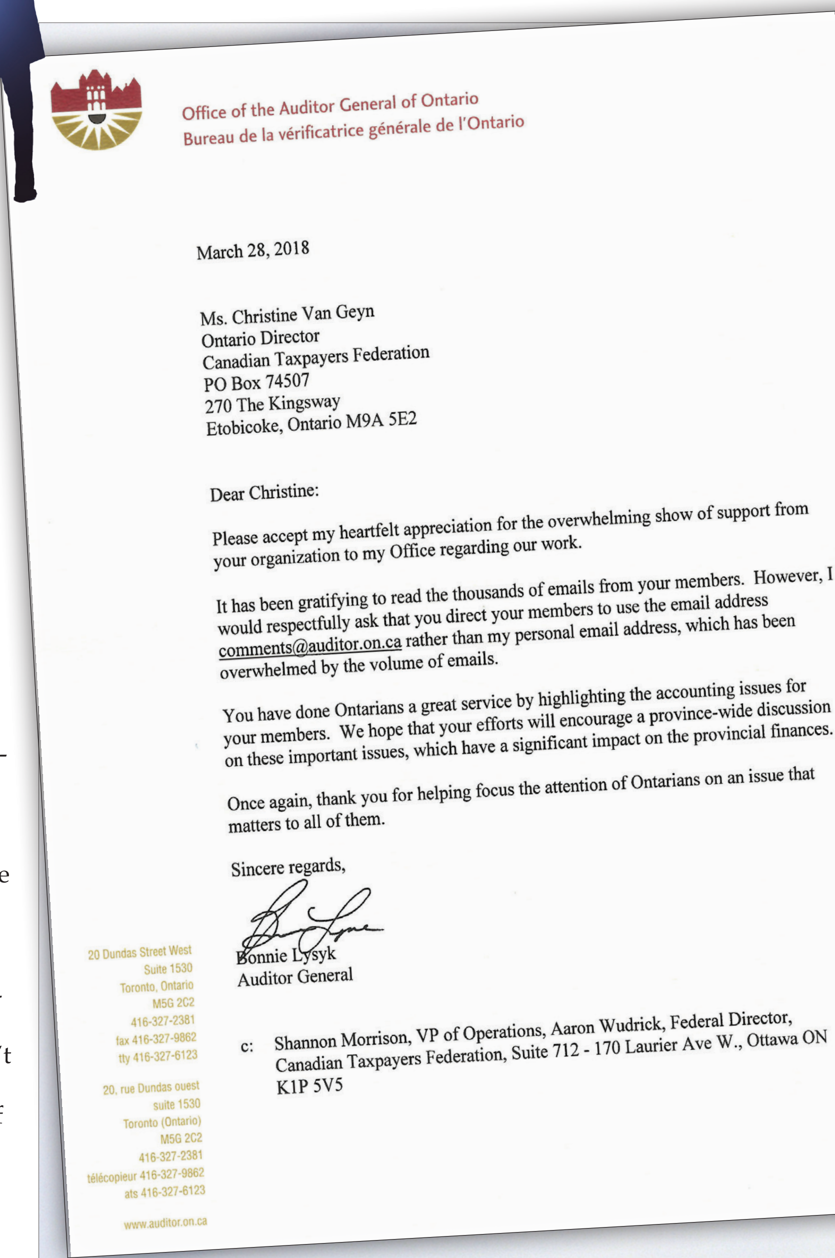
Some of the things the government is spending this money on include daycare subsidies for children aged two-and-a-half, regardless of income. So wealthy families will be eligible for free child care, courtesy of the rest of us, including childless low-income earners. The government is also spending money on subsidies for medicine for children, regardless of whether they are already covered under their parents' insurance plan, effectively handing a huge subsidy to insurance companies.

The pace at which debt is growing will more than double. You can see it with your own eyes if you visit our online debt clock at www.DebtClock.ca, where the numbers are spinning at an increasingly rapid pace.

What's shocking is that the Liberals are adding debt while simultaneously increasing taxes. Creating all this debt is actually taxing our children and grandchildren in the future. After all, the deficits of today are the taxes of tomorrow. But taxing our children isn't enough for Premier Kathleen Wynne, because she's also increasing taxes today by hundreds of millions of dollars.

Income tax will rise for Ontarians earning more than $71,500, squeezing an additional $275 million out of taxpayers. The employer tax health exemption, currently available to 85% of employers, will be cancelled for about 20,000 businesses. This will cost these employers $2,400 more per year on average, for a total cost of $10 million this year. Additionally, the government is planning on mirroring some of the recent federal tax changes, including the changes regarding passive income and income sprinkling. This is a $350-million tax increase on businesses over three years.

Normally governments pick a lane: more debt or higher taxes. Ontario taxpayers are unfortunate enough to get both this election year.



Office of the Auditor General of Ontario
Bureau de la vérificatrice générale de l'Ontario

March 28, 2018

Ms. Christine Van Geyn
Ontario Director
Canadian Taxpayers Federation
PO Box 74507
270 The Kingsway
Etobicoke, Ontario M9A 5E2

Dear Christine:

Please accept my heartfelt appreciation for the overwhelming show of support from your organization to my Office regarding our work.

It has been gratifying to read the thousands of emails from your members. However, I would respectfully ask that you direct your members to use the email address comments@auditor.on.ca rather than my personal email address, which has been overwhelmed by the volume of emails.

You have done Ontarians a great service by highlighting the accounting issues for your members. We hope that your efforts will encourage a province-wide discussion on these important issues, which have a significant impact on the provincial finances.

Once again, thank you for helping focus the attention of Ontarians on an issue that matters to all of them.

Sincere regards,

Bonnie Lysyk
Auditor General

c: Shannon Morrison, VP of Operations, Aaron Wudrick, Federal Director, Canadian Taxpayers Federation, Suite 712 - 170 Laurier Ave W., Ottawa ON K1P 5V5

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Quarterly quotes

We recently heard one of the most shocking statements ever by a politician about debt. Ontario's out-of-control debt has gone from $132.6 billion in 2003 to a forecast $360 billion by 2020. That's what makes these remarks by Liberal Mississauga-Streetsville MPP Bob Delaney so shocking:

> *"We have tripled (the debt) and we're proud of it, because we can afford it. It's the responsible thing to do. It's the correct thing to do. It's what people have asked us to do and I would do it again and do it proudly."*

In a bizarre turn of events, after his comments were published, Delaney denied he had said them, appearing on several radio stations to claim he'd never said such a thing. When the *Mississauga News* produced a recording of his comments, things got even more awkward.

Delaney had to apologize for attacking the journalists reporting his comments. But we'd prefer if he apologized for all the debt and advocated for his government to spend our grandchildren's money more responsibly.

Auditor general responds to CTF supporters

We recently sent out a call to action to CTF supporters in Ontario. But this time, we had the unusual pleasure of not criticizing the government, but rather, thanking a government official for some important work.

We asked our supporters to thank auditor general Bonnie Lysyk for bringing transparency to the province's finances and standing up to a government that is trying to mislead taxpayers.

The AG had stated that she may be forced to issue an "adverse audit opinion" on the government's financial statements. This would be a first in Canadian history.

An adverse audit opinion is a serious matter. It means that financial statements are misrepresented, misstated and do not accurately reflect financial performance and health.

It's rare for someone in government to speak truth to power. So we asked our CTF supporters to send a message of thanks to the AG.

The reaction was overwhelming.

Lysyk called our Ontario Director Christine Van Geyn to say that she had received thousands of messages of support. In fact, the AG received so many emails praising her for standing up to the Wynne government that her email server began to overload and crash.

We never wanted to get in the way of the AG's important work, but we love the passion and enthusiasm of our supporters. So thank you for letting the AG know that we appreciate her. t

Sunshine List shockers

Once a year, Ontario releases the Sunshine List — the names and salaries of government workers earning more than $100,000. Every year, there are a few shockers. Here are a few of them.

- Jeffrey Lyash, Ontario Power Generation CEO: $1,554,456.95
- Daren Smith, University of Toronto Asset Management, Chief Investment Officer: $936,089.48
- 2,632 people at the Toronto Transit Commission, including 518 vehicle operators
- 502 elementary school teachers
- 25 summer school teachers
- 2,805 high school teachers
- 1 janitor at Ontario Power Generation, earning $109,772.51
- 1 caretaker at Toronto District School Board, earning $100,946.13
- 14 parking enforcement officers in the City of Toronto
- 7,878 people at Ontario Power Generation
- 1,645 people at Peel Police Services

Province has a rare surplus, so it SPENDS IT

by Carl Vallée
Québec Director

The Québec government has been getting tougher on spending for the past few years. Premier Philippe Couillard has been tightening the purse strings despite repeated complaints of austerity from government unions.

If there's been any austerity, though, it's the taxpayers who have taken the brunt of it, with a rise in taxes and fees. Since taking office in 2014, Couillard has raised taxes by about $12 billion, even with the tax cut announced in the fall of 2017.

How can we be sure? By looking at the own-source revenue column in the budget (which excludes revenue from Crown corporations), we can see that Québec took in a little under $82 billion. That number had been around $69 billion under the former Parti Québecois government in 2014. The additional nearly $13 billion came directly from the pockets of taxpayers, through taxes, duties and fees.

The government has grown considerably since the Québec Liberals came to power in 2014. Twelve thousand additional employees now occupy the government apparatus, all picking the pockets of Québec families. "Austerity," they ask? "What austerity?"

The increased revenue generated a $4-billion surplus for the fiscal year, which doesn't mean the government didn't spend enough; it means it overtaxed its citizens. As such, the $4 billion should have gone back into the pockets of taxpayers.

But no. The government spent it all, on infrastructure, education and health. Good causes, you might say. But if the government had wanted to invest more in these areas, it should have reallocated funds using the pre-existing budgetary numbers, knowing there is a lot of waste elsewhere.

> "The increased revenue generated a $4-billion surplus … meaning it overtaxed its citizens."

Not only did the government spend everything, but it also dipped into its rainy-day fund, which it deemed was too full. Without it, the government would have been in deficit this year. That's the scale of its spending.

A comparison with neighbouring Ontario is particularly telling. A Québec taxpayer earning $60,000 a year will continue to pay approximately $3,400 more in income taxes than an Ontario taxpayer making the same amount.

The only good news is that the province is paying down a portion of the debt, which will eventually lead to lower annual interest payments. The government has made a responsible decision in that regard.

Another area of disappointment is that Québec is still heavily dependent on equalization payments. This situation remains worrying, especially since the government has no plan to achieve zero equalization in coming years. This year alone, Québec will receive $11.7 billion in equalization payments from other provinces. It is disappointing to see the government accept this cheque as an inevitability.

Showtime:

Québec delegates abroad spent **$150,000 on tickets**

Members of Québec delegations abroad have spent $150,000 on show tickets over the past four years. The CTF obtained this information in early April after an access to information request.

More specifically, the Ministry of International Relations and La Francophonie spent about $100,000 for its delegates and guests, twice as much as the Ministry of Culture, which spent nearly $50,000.

And there were many guests — just under 1,500 tickets. Who were they? We don't know.

For example, on Jan. 13, 2016, the Québec delegation in London bought 56 tickets to a Patin Libre ice-theatre show at Somerset House. We don't know who they were for.

In Seoul, Québec taxpayers footed the bill for 92 tickets to a single movie. We don't know who they were for.

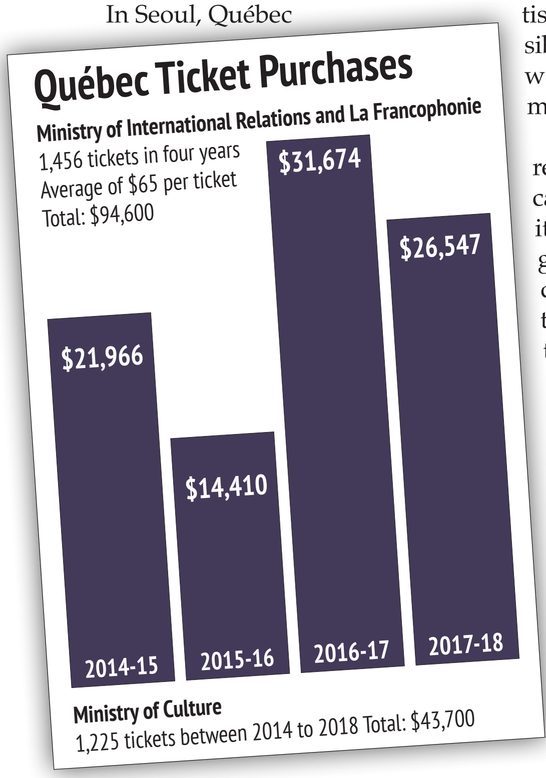
In May 2017, there were 50 tickets for a Cirque de Soleil show in Rome. We don't know who they were for.

There's worse. Québec taxpayers even picked up the tab for Montreal Canadiens tickets abroad. In Dallas, six tickets for one game against the Stars in December 2015 and in Chicago 10 tickets for a game against the Blackhawks in April 2014.

Why is the government spending this money? An article in the *Journal de Montréal* had the official answer from a ministry spokesperson: "These activities are matters of cultural diplomacy, pertaining to Québec's reputation, culture, and expertise. They also make it possible to build a contact network for Québecois performances."

What are the concrete results? The government can't explain them. And it can't explain how the guests are selected by the delegations. Are they for their friends? The question is a legitimate one, given the lack of transparency.

After our information on this spending was published, the issue was raised in the National Assembly, where the CAQ, the third party, denounced these excesses on the part of Québec officials.



"In Seoul, Québec taxpayers footed the bill for 92 tickets to a single movie. We don't know who they were for."

If the budget's balanced, why is debt rising?

by Scott Hennig
VP Communications

While newspaper headlines sang the praises of the Liberal government for tabling a third straight balanced budget, taxpayers may question why the Nova Scotia debt clock continues to grow. Governments such as Québec, BC and Nova Scotia regularly claim balanced budgets or even surpluses. But the truth is that debt is still on the rise.

Unlike the exception of 2016-17, when Nova Scotia managed to reduce its debt by $121 million, the debt grew last year by $96 million. And this year it's projected to jump higher by $120 million.

To be fair, Nova Scotia's debt clock turns much more slowly than those of its neighbours. Newfoundland and Labrador's debt is projected to grow by $1.4 billion and New Brunswick's by $372 million this year.

Per capita, provincial debt is around the middle of the pack in Canada. At $15,700 per Nova Scotian, it beats its neighbours in Québec ($21,650), New Brunswick ($18,175), and Newfoundland and Labrador ($23,450) and is only slightly higher than PEI ($14,450).

When governments claim balanced budgets, they often are just looking at their operating budget and ignoring their capital spending. It's kind of like looking at your paycheque and balancing it against your monthly bills, ignoring that you just bought a new car or washing machine. Sure, technically you have an asset that you could sell, but these goods are not going to fetch back your purchase price after they've been used. And whether it's a carload of groceries or a new washing machine making its way onto your credit card bill, you still have to have the income to pay your bills.

“It's kind of like looking at your paycheque and balancing it against your monthly bills, ignoring that you just bought a new car or washing machine.”

Governments have similar problems in that they can't really sell a new school or a new highway very easily (not that they'd ever try) or for the same price they paid to build it. And taxpayers still have to fork over the cash at some point to pay for these items.

At the CTF we have a pretty simple test to check if a budget is balanced. Is the debt clock going up or not? If it's going up, your budget isn't truly balanced. And in that regard, Nova Scotia's 2018 budget might not be as ugly as some of the others in the region, but they've got some work to do before it's balanced.

Muskrat Falls: anatomy of a

boondoggle

It's been a painful ride for the Muskrat Falls hydroelectric dam project on the Churchill River in Labrador. Today, more than five years after then-premier Kathy Dunderdale announced the go-ahead, taxpayers of Newfoundland and Labrador are left with little hope of gaining from a project which seems to have been condemned from the start.

In 2012, when the proposed $7.7-billion project was given the green light, Dunderdale stated that this would be a "pivotal moment in the history of Newfoundland and Labrador." Perhaps it was, but not in the way she meant.

Cheap, stable and renewable energy was what the residents were promised. In reality, taxpayers are now facing a hefty $12.7-billion price tag and energy rates that are expected to be double the Canadian average by 2022.

Budget concerns surrounding Muskrat Falls are reported to have arisen as early as 2013, when the project was just 20% complete. SNC-Lavalin, the project engineer, warned extra costs could exceed $2.4 billion. Of course, this price hike wasn't public knowledge until 2015, when the Crown power company, Nalcor, announced

Muskrat Falls Hydro Plant: Government of Newfoundland and Labrador

the cost could be upwards of $9 billion. In June 2016, another $2-billion increase was announced. The CEO of Nalcor finally admitted that the project "wasn't the right choice" and earlier estimations of energy rates for residents were a "gamble" that never paid off.

Due to overcapacity in neighbouring provinces, there may be no buyers for almost 80% of the electricity produced. Additionally, energy prices are lower than when the project was commissioned. This means the plant's originally estimated income from external buyers could drop by as much as 40%.

Nalcor is considering alternatives, primarily through a partnership with Nova Scotia's Emera to provide energy to parts of the eastern US which want to meet green energy targets.

However, experts are skeptical. The states are much more likely to source their energy from Hydro Quebec. But even if Nalcor moves ahead with this plan, it will cost taxpayers another $2 billion to install the transmission line and the income it generates will not come close to covering the costs.

There are also allegations of increased health risks to residents around the Lower Churchill River. Methylmercury in the water could reach five times their current levels, causing health and cardiovascular issues. This is a huge issue for residents downstream who live on a staple diet of seal and fish from the Churchill River. A recent panel recommendation to remove more soil from the reservoir area has been deemed risky and comes with an estimated cost of up to $761 million.

At the end of last year, an inquiry was launched into the shortcomings of the Muskrat Falls project. Though it won't alleviate the tax bill or energy prices, it will hopefully shed some light on the recurring issues we see in these mammoth energy projects. t

Changing of the guard

This winter, CTF Atlantic Director Kevin Lacey resigned after seven years of service to Atlantic taxpayers. Taking his place will be Paige MacPherson. Paige is a Dalhousie grad and has been working as the CTF's Alberta director since 2015. She's currently on maternity leave but will be moving back to Halifax and starting in September.

taxpayer.com Bits&Bytes

Stop Calgary from winning the gold medal for 'waste of money' again

It's no secret that Alberta's economy has been in a pretty rough shape for the past few years. With falling oil prices followed by a flurry of bad government policies, it's no wonder taxpayers across the province have asked all levels of government for a bit of respite. In Calgary, a few councillors heard calls for lower taxes and cuts to bloated government and decided they had found the right solution: spending millions of dollars they don't have to make a bid to host the Olympics. For those councillors, that would be a better use of money than giving a break to Calgarians, Albertans and Canadians all across the country.

The CTF couldn't pass up an opportunity to take a stand against such an out-of-touch, big-spending idea that would yield little to no economic benefit. Help us fight back by visiting www.NoOlympicBid.ca. There, you can help by signing our petition, contacting one of Calgary's lawmakers or donating to help us in this fight.

Tweet of the issue

Politicians love to use the word "free" to describe something that will drain billions of dollars from taxpayers' pockets. Our Aaron Wudrick called out Ontario Premier Kathleen Wynne's propensity to say "free" instead of "taxpayer-funded." For more timely insights from Aaron, follow his @awudrick account on Twitter.

Aaron Wudrick
@awudrick

Premier, every time you use the word "free", millions of Ontarians immediately ask themselves how much it will actually cost once the bill finally arrives.

Kathleen Wynne @Kathleen_Wynne
Proud to see our progressive agenda drawing plaudits from an international women's organization. Free preschool child care for kids two-and-a-half to kindergarten — full day, year-round — will help moms go back to work & families afford the care they need
blogs.edweek.org/edweek/early_y...

Want more CTF and Generation Screwed content?

Visit Taxpayer.com and GenerationScrewed.ca for regular blog posts, opinion pieces, videos and much more.

Twitter & Facebook

To see and share more funny images and get daily op-eds, articles, videos and infographics, follow the CTF and Generation Screwed on Twitter (@taxpayerDOTcom and @GenScrewedCDN) and Facebook.

Rolling out the red carpet … literally

Have you noticed how the federal government keeps putting up roadblocks for those who want to use our natural resources, yet basically rolls out the red carpet for resources coming from other countries? Well, our very own Colin Craig noticed it as well, and put together a great press conference on that very issue, with actual barrels of oil, red carpets and roadblocks. If you want to see the video, head to: youtu.be/nEtmTpjwemA

Want to get more regular video content from us? Follow the Canadian Taxpayers Federation's YouTube channel. And be sure to let Colin know your thoughts on that tongue-in-cheek stunt by tweeting to @colincraig1.

By the Number$

14%

Percentage of Canadians who reported they used cannabis in the past three months

49,422

Kilometres of railway lines in Canada

$57,000

Median after-tax income of Canadian families in 2016

3.4%

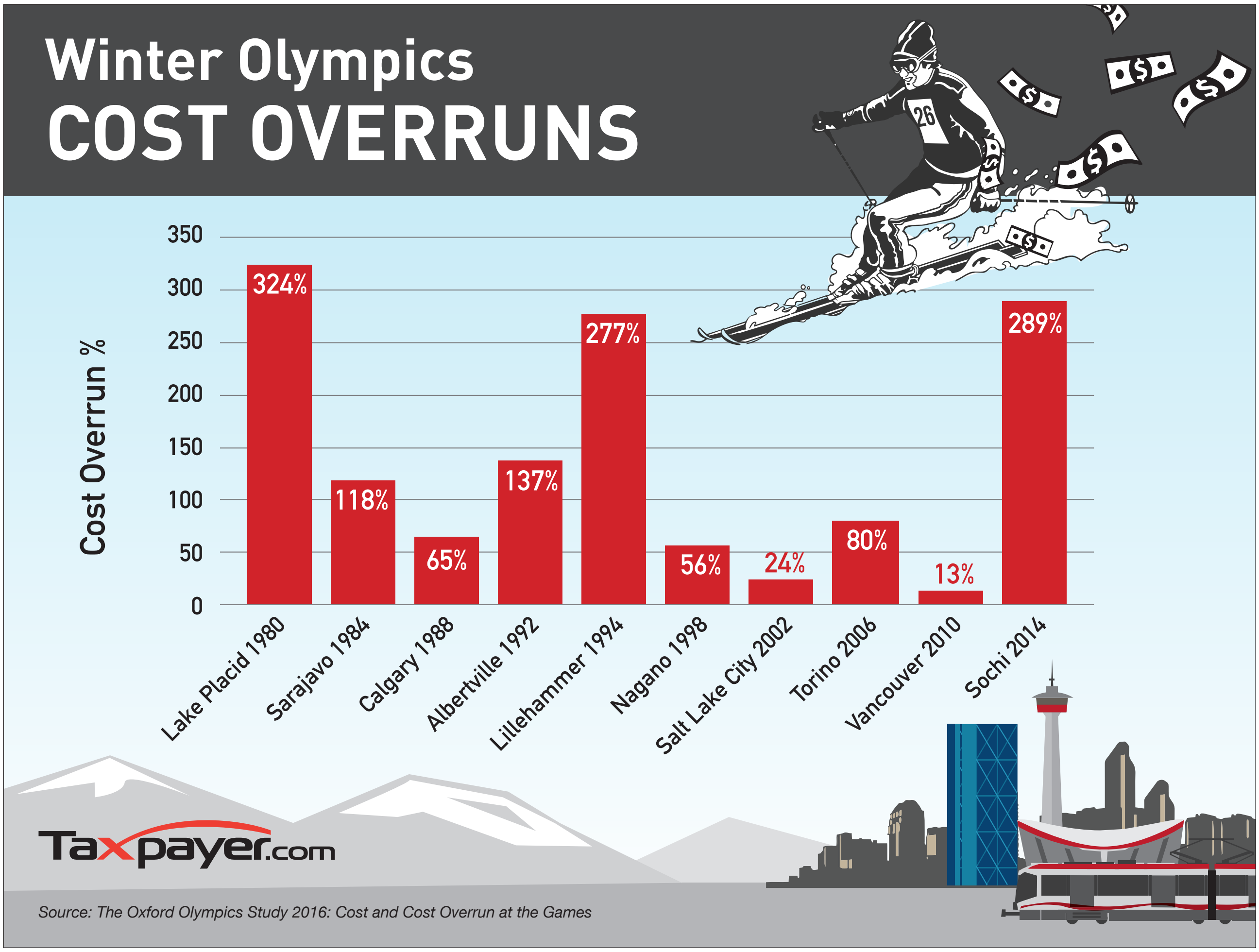
Percentage of residential properties in metro Toronto owned by non-Canadian residents

4.8%

Percentage of residential properties in Metro Vancouver owned by non-Canadian residents

2.7

Number of bags per 1,000 passengers lost or delayed by North American airlines in 2016



Source: The Oxford Olympics Study 2016: Cost and Cost Overrun at the Games

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